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NEW TARIFF RATES FOR FUEL, ELECTRICITY IN EFFECT

Buenos Aires CLARIN in Spanish 1 Nov 80 p 9

[Text] Starting at 0000 hours today, the new prices for fuels, in addition to re-adjustments of telephone, electricity, sanitation services, gas and long-distance railroad tickets, go into effect. Although there is no official information with regard to electricity and OSN [Sanitation Services of the Nation], the average rate increase is said to range around 4.5 or 5 percent.

The readjustments are calculated on the tariff levels in effect in October, but the effect of the 20-percent VAT [value-added tax] increase must be computed, so that, actually, the increase to be shown on November bills will be a maximum of 25 percent or a minimum of 24.5 percent -- depending on whether or not the effect of the VAT and the readjustment from November is calculated cumulatively -- over the September levels. It should be pointed out that the average increase in tariffs is not applicable to fuels or to transportation.

According to a Treasury spokesman, the effect of the VAT will take place on the October rates, which thus will show definitely the impact of the 20-percent VAT on October bills.

Fuels

Yesterday, the Energy Secretariat announced the increase in fuel prices, amounting on the average to 4.5 percent.

The price for premium gasoline was fixed at 1,140 pesos (4.59 percent); regular gasoline, 940 pesos (4.44 percent); kerosene and gas oil, 680 pesos (4.62 percent); fuel oil, 262 pesos (4.80 percent) and diesel oil, 443 pesos (4.48 percent increase).

Tariffs for natural gas, the official selling price of oil, Rio Turbio coal and fuel for electric powerplants underwent the same average increase (4.5 percent).

As was stated above, there was no official announcement on the size of the tariff adjustment for electricity services and Sanitation Services of the Nation. Nevertheless, Ministry of Economy sources stated that, in these cases, the readjustment will range between 4 and 6 percent. In the case of telephone service, it was stated that the increase amounts to 3.8 percent.

Fuel Prices
[in pesos]

	Present	Former	% increase
Premium gasoline	1,140	1,090	4.59
Regular gasoline	940	900	4.44
Kerosene and gas oil	680	650	4.62
Fuel oil	262	250	4.80
Diesel oil	443	424	4.48

Railroad Tariffs

On the other hand, the Argentine Railroads company announced yesterday the increase that long-distance rates will undergo, starting at 0000 hours today. The increase is 3.5 percent. Freight, express and cattle transportation services will also be readjusted by the same amount.

Argentine Railroads also announced that, at this time, rates for urban and suburban passenger service will not be readjusted. This increase is normally made on the 15th of each month.

Thus, the rate increase for the beginning of the month was completed. Adjustment of metropolitan rail services, public bus transportation and subways is left for the middle of the month.

10,042

CSO: 3010

U.S. TUNA FISHING STAND CRITICIZED AT OLADE MEETING

PA062232 Paris AFP in Spanish 0350 GMT 3 Dec 80

[Excerpts] Costa Rican Energy Minister Fernando Altmann announced here today on his return from Bogota that the Latin American Energy Organization (OLADE) has condemned "the punitive measures taken by the U.S. Government" against Latin American countries that are defending their fishing rights, in particular their rights to catch tuna.

OLADE, which is made up of the Latin American energy ministers, met last week in Colombia and the tuna issue was discussed. The organization condemned "all activities that depredate the natural resources within 200 miles at sea" off the Latin American coasts.

Altmann announced here today that the OLADE charter "recognizes the full and indisputable rights of Latin American peoples to defend, safeguard and utilize the natural resources present in their territories, whether these be energy, mining, agricultural, fishing or other resources."

The minister explained that according to this charter one of OLADE's functions is to promote solidarity among the member states for the utilization and protection of their resources and for defense against any action, sanction or form of coercion that may be taken against them.

The minister explained that the 10th OAS General Assembly recently in Washington supported Ecuador's position in defense of its maritime rights in the tuna war.

Altmann noted that the OAS also called on the United States to refrain from economic or political action and coercive measures to influence the sovereign will of states, as is the case in the tuna embargo applied to several countries at present.

Citing the agreements reached at the last OLADE meeting, Altmann said that "all fishing activities that violate the laws of the coastal countries of America, particularly the activities of the fleets of the large fishing powers, are a threat to the conservation of species and the region's ecological balance."

CSO: 3010

AGUADO ADDRESSES CRISIS IN FARM SECTOR

Buenos Aires LA PRENSA in Spanish 3 Nov 80 p 5

[Text] Mar del Plata, Buenos Aires (NA)--The president of Argentine Rural Confederations (CRA), Jorge Aguado, asked here for refinancing of the debt of the agricultural-livestock sector at the same time as he pointed out that "reduction of the next wheat crop is sizable, because not even 7.5 million metric tons are going to be attained."

In newspaper statements that were made in this city by the head of the rural organization, he also objected to the national government's foreign exchange policy and he stated that, because of it, "we are not competing abroad, in many cases."

Aguado also said that "the situation in rural areas caused by the deterioration in income is still the same." He pointed out that it is owing "to the cost of financing, the issue of taxes and the persistence of inflation."

He added that "we are hoping that one of the pressure factors will be eliminated. In itself this is no solution. It is a question of refinancing of the debts that the agricultural-livestock sector has. This will, at least, make it possible for a search for profitability to be faced calmly."

He also pointed out that "the search for efficiency in production is something logical at any time and it is especially real, when there are completely free markets, in which there is no distorted economic term, as there is in the present one owing to the foreign exchange rules.

"In every superdirected economy," he pointed out, "efficiency lags very far behind in comparison with countries in which actual economic freedom prevails.

"Nevertheless," he went on to say, "we must not aim at subsidies, and we do not need them, insofar as the markets are really coherent and homogeneous. At the present time, we do not compete, in many cases, with foreign countries because of the interventionist measure of directing the foreign exchange rules.

"I am a determined defender of economic freedom in every respect," he added, "and I should like so important a factor as the exchange rate also to be governed by the laws of the market."

Next, he did not believe that the solution lies in a sudden effect measure, but he was of the opinion that, "if the present situation persists, at some time it will be necessary to pay for a shock."

In his statement, Aguado denied that he had been offered an official post to serve under president-elect Viola and he stated that "I should not deny that this may happen later."

The head of the CRA finally pointed out that "reduction of the next wheat crop is sizable, "because not even 7.5 million metric tons are going to be attained."

10,042

CSO: 3010

STATE TO PARTIALLY SUBSIDIZE INDUSTRIAL, FARM INVESTMENTS

Buenos Aires LA PRENSA in Spanish 6 Nov 80 sec 2 p 1

[Text] The state will reimburse industrial, agricultural-livestock and mining activities for a substantial part of the amounts that they invest in equipment -- between 10 and 35 percent -- according to the new promotional system announced last 10 July by the minister of Economy and which is under consideration at present by the Legislative Advisory Committee.

Tax reimbursement will be automatic, without prior action by any administrative authority -- as is stated in article 5 -- and it will include investments made between last 15 August and 31 December 1984.

It is specified in article 1 of the bill that payers of the profit tax who make investments in new amortizable goods of domestic or foreign manufacture, with the exception of automotive equipment, intended for industrial, agricultural-livestock or mining activity, starting 15 August 1980 and until 31 December 1984, both dates inclusive, will be entitled to obtain a tax reimbursement equal to the amount resulting from application of the below-indicated quotas to the amounts invested. This system will include companies making investments covered by it for the purpose of environmental improvement (treatment plants for solid, semisolid, liquid or gaseous effluents) provided they are in accordance with projects approved by competent authority.

Investments receiving tax benefits from currently effective or future national promotion systems, either of an industrial, forestry, mining or other nature, or investments benefited by special systems or exemptions owing to their geographic location, cannot receive treatment under this bill.

Quotas

For purposes of determining reimbursement, the following quotas will be applied, in accordance with geographic zones:

Federal capital and Greater Buenos Aires, 10 percent; nonpromoted regions, 20 percent; promoted regions, 30 percent and south of latitude 46° and frontier areas, 35 percent. Regulations will specify precisely the limits of those geographic areas.

Reimbursement to each beneficiary cannot exceed, in each calendar year, an amount equal to a maximum investment of 15 billion pesos. Goods bought will have to be identified and remain in their location for a minimum of 5 years.

Bases

The message accompanying the bill explains its bases and doctrinary principles.

"The economic program," it states, "seeks optimum utilization of the available production resources for purposes of achieving lower real costs and greater per capita income for the people. In order to accomplish this, the measures issued for facilitating access to modern technologies must be supplemented by incentives to the outlay made by local enterprises for reequipment, which is usually most difficult in small and medium-sized companies.

"From the point of view of company size," it is added, "the instruments to be adopted must ensure "equal access" to their benefits by every enterprise, including medium-sized and small-sized ones -- on an equal footing with large-sized enterprises -- by means of an automatic system that will reduce the power of administrative discretion and complexity in procedures. In this way, the benefits of a gradual economic opening up to every national production structure are assured. A system of business diversity in which production units attain the optimum degree of their efficiency and size is consolidated.

"It has been judged that the ideal means for achieving the above-indicated objectives," it states further on, "is the granting of a subsidy in the form of a tax refund actually equal to a percentage of the amount invested in new machinery and equipment, depending on their geographic location. Commercial or service activities are expressly excluded, even though they are incorporated within an industrial, agricultural-livestock or mining enterprise. For the purpose of preventing abuses or simulated transactions, tax penalties are established for their perpetrators with not detriment to any criminal responsibility that might be incurred."

10,042

CSO: 3010

LACROZE ANNOUNCES WHEAT HARVEST ESTIMATES

Buenos Aires LA NACION in Spanish 4 Nov 80 p 10

[Text] Santiago del Estero--The chairman of the National Grain Board, David Lacroze, estimated that the wheat harvest in the current season will range between 6.8 and 8.7 million metric tons. He stated that the price for a ton of hard wheat, grade 2, will be 390 pesos as of this date.

He made this announcement during the visit that he paid to this city to put in effect the declaration of "dry port" and to authorize concentration of wheat purchases in the La Banda Cotton-growers Agricultural Cooperative. He pointed out that advancement of date for opening purchases benefits the producers who can begin to market their crops and that the quotation for the grain at the indicated price makes production in northern Argentina equal to the value of wheat internationally.

He specified that the procedure enables the producer to market his wheat without the disadvantages of high cost entailed by freight to the traditional receiving ports.

He also announced that the National Grain Board will sign an agreement with Argentine Railroads to fix sorghum transportation rates for over 600 kilometers and to limit the rates to a percentage that will not affect its cost.

10,042

CSO: 3010

MEMBERS NAMED TO NATIONAL COMMISSION FOR DEFENSE OF COMPETITION

Buenos Aires LA PRENSA in Spanish 6 Nov 80 sec 2 p 1

[Text] The Secretariat of Commerce and International Economic Negotiations has reported that the members of the National Commission for the Defense of Competition, provided for by Law 22,262, were named by Resolution 1903. Law 22,262 specifies that the commission consists of a deputy secretary of commerce and four members with recognized authority on the subject matter covered by the law: two attorneys and two professional economists.

The commission will be headed by the deputy secretary general of the Secretariat of Commerce, Dr Hector C. Legarre, and the following will serve as members: Dr Jorge E. Cermesoni, Dr Fernando Goldaracena, Enrique Scala and Carlos Moyano Walker. It will be responsible for the investigative stage that may give rise to the arrangement of compromises entailing modification of behaviors affecting the legal objective of the law. It will also perform studies pertaining to competition, to market structure and size. It can summon officials and witnesses, express expert opinions on books, documents, commerce papers, and so, and request opinions and data from private agencies on the conducts investigated, existing customs in the subject matter and other items of interest connection with the investigation.

Dr Hector C. Legarre is an attorney. He was adviser to the interventor on the Grain Board (1976-1977) and subsequently went to a post in the Secretariat of Commerce and International Negotiations.

Dr Jorge E. Cermesoni is also an attorney. He was a federal judge in administrative disputes until 1978, a university professor and at present head of the Legal Management of the National Grain Board.

Dr Fernando Goldaracena, an attorney and official in the judiciary branch, has served in the Abstracts Section of SEGBA [Greater Buenos Aires Electrical Services] and is director general of legislative science in the Ministry of Justice.

Enrique Scala holds a degree in economics and since 1972 has been participating in programs in the economic-social area of the Organization of American States.

Carlos Moyano Walker, with a degree in economics and since 1976 adviser to the office of the secretary for Economic Programming and Coordination, was a member of the Argentine economic-social team for the project for multiple utilization of the Pilcomayo River.

PAPER AUGURS BRIGHT FUTURE FOR AMAZON PACT NATIONS

La Paz PRESENCIA in Spanish 26 Oct 80 p 3

[Editorial: "Amazon Pact".

[Text] A very constructive meeting of the so-called Amazon Pact nations has concluded with the Belen Declaration, having manifested their objective of working toward achieving the goals of this regional agreement.

As it is known, the Amazon Pact does not have the same scope as the Andean Pact. Its final goal is not economic integration—including industrial integration—or the creation of a common market. Its goals are different and focus on cooperation and common action in development and unification of the entire immense Amazon River basin.

The first thing to point out is that this area is considered to be one of the few vast resources available to man today. The above-mentioned declaration brings up this fact but at the same time it points out that all that concerns exploitation and the future of the region is the exclusive right of the nations which exert sovereignty in that area, so as to nip any foreign claim in the bud. There is no room for intervention from third parties.

Some companies have started an irrational exploitation of that area's resources. Therefore, it is natural that the declaration should insist in its preservation so that it does not become—as some fear and proclaim—a desert in a few decades. All Amazon countries will work together to preserve the natural resources, especially the flora and fauna.

On the other hand, means of communication must be developed. The basic need is to take advantage of the vast fluvial network, which is the largest in the world but has not yet produced expected results. Combined efforts are necessary.

Brazilian participation concerning the utilization of international rivers with successive courses is positive toward Bolivia. Brazil displays an open attitude regarding the utilization we might make of the upper courses which are in our territory; there will be no problems or conflicting contacts, as has occurred in similar situations, concerning the utilization of waters for irrigation and electric power production. Brazil took such an attitude about the Parana River waters whose upper course is controlled by Brazil.

The topic related to the preservation of the rights of native populations deserves a special paragraph. All Amazon nations, at some stage in their history, have

been the scene of abuses and even killings of the region's natives. It is obvious that we cannot recognize some sort of sovereignty over vast areas. But it is also unquestionable that they must be guaranteed ownership of areas where they can work, live peacefully, develop and progress, without being constantly submitted to all manner of abuses. If one speaks about the need to preserve the fauna and flora, with all the more reason one must face the survival of native populations, the original owners of the region. The abuses which have been denounced up to now must be stopped at the source. All economic development of the region would be lacking humanity if one does not consider the rights of its natural inhabitants.

The fact that the creation of preinvestment funds has been proposed demonstrates the purpose of all Amazon countries to move rapidly in perfecting the pact, taking it to its practical conclusions. That and the feeling of friendship and mutual trust which has prevailed in the Belem meeting are a good indication of the future of this new cooperation agreement.

9626

CSO: 3010

LABOR UNION COORDINATORS SET FORTH OBJECTIVES

La Paz PRESENCIA in Spanish 17 Oct 80 p 9

[Text] Approximately 600 labor coordinators were sworn in and received their credentials yesterday, thus beginning the process of reorganization of union activities in the country.

The ceremony was performed in the headquarters of the La Paz Construction Workers Federation, at 1830 hours.

Chief of the General Staff of the Commander-in-Chief of the Armed Forces, Gen Eden Castillo, representing the President, Gen Luis Garcia Meza, officiated.

"I congratulate you in the name of the armed forces and I expect from you the effort and contribution needed to strengthen the process of national reconstruction," he said during an improvised speech.

The Minister of Labor, Gen Augusto Calderon, said that the designation of labor coordinators constitutes the first step in a process that will gradually conclude in the organization of national federations and confederations.

"We will completely reorganize the union movement, with the certainty that the workers will not again be misled by politicized syndicates," he said.

"Together we will walk the same path to free the country from its present backward condition," he said, in calling the workers to unite with the military, reiterating that the government grants priority to the workers needs.

He emphasized that the government "respects in every way the unions and it has decided to promote the creation of new labor groups, completely independent from the imperialistic ones, exclusively devoted to defending the workers' interests, within the framework of the national interest."

He attacked former union leaders, whom he called "union traffickers, still intent on confusing the workers."

"We are going to unmask the extremists who have infiltrated the workers ranks. We, the soldiers, are the only ones who can speak with rightfulness and propriety, because we know the workers' desires and we are aware of what our people are and what they want," he added.

He wished them luck and asked the coordinators for sacrifices in the accomplishment of their mission.

Coordinators Rufino Pinto (construction worker), Fructuoso Cuaquirá (factory worker), Pascual Segales (small businessman) and Ramon Morales (railroad worker), also spoke and asked for the support of the government to better accomplish their task.

They said that nationalist workers support the national reconstruction government, "because we understand the concern of the armed forces to take the country out of the anarchy in which it was, due to the actions of "union traffickers."

They criticized former leaders of the Bolivian Labor Federation, accusing them of neglecting the defense of workers' rights and promised to "defend the workers' rights uncompromisingly."

After the speeches, Minister Secretary General of the Presidency Col Mario Escobari presented credentials to the coordinators, who mostly represent trade unions and small businesses.

Officially, it was announced that the nomination of coordinators for all labor sectors will be completed in about 1 month.

9626

CSO: 3010

FOREIGN MINISTER DISCUSSES INTER-AMERICAN RELATIONS

Rio de Janeiro MANCHETE in Portuguese 29 Nov 80 pp 102-103

[Interview with Foreign Minister Saraiva Guerreiro, in Prague, date not given, by Haroldo Hollanda]

[Text] Minister of Foreign Affairs Saraiva Guerreiro, a basically circumspect career diplomat, has achieved significant triumphs for Brazilian diplomacy, for example the normalizing of relations between Brasilia and Buenos Aires after successive tense situations, and the intensification of trade, cultural and political exchange with the African nations, apart from a far-reaching Latin American policy. In this exclusive interview with MANCHETE, the Brazilian foreign minister analyzes the main problems in international politics, above all the conflict between Iran and Iraq. In his view, the situation in the Middle East will not be internationalized and therefore there is no danger that it will develop into a world war. He says further that relations between Brazil and the United States are good and that the differences which have occurred on the nuclear and human rights issues have served to mature them. "We are prepared to pursue a faithful, open and constructive relationship with the Reagan government."

[Question] How do you anticipate Brazil's relations with the new U.S. government of Ronald Reagan will be?

[Answer] Brazil's foreign policy is guided by principles and shaped in accordance with Brazil's particular circumstances with due regard for the evolution of the international situation. This is reflected in our attitude toward every country. Regarding the United States in particular, our relations are excellent. On the one hand, these relations are characterized by the variety of issues involved, and on the other by the permanent willingness of the two countries to solve problems that spring up occasionally as is natural between countries with many-faceted relations. I see no reason for the election of a new U.S. government to make any difference, since I believe that it is in the interests of the two countries to maintain the best relations possible and to improve them all the time. We are inclined to carry on loyal, frank and constructive relations with the Reagan government. The methods and style of government may change, but the basic and essential interests of both countries remain the same. So I believe that Brazilian-U.S. relations will maintain their high standards, as is natural.

[Question] Could the war between Iraq and Iran cause some significant changes in Brazil's foreign policy with regard to the Middle East?

[Answer] The war adds a new factor to the regional situation. Its implications should be assessed and weighed very carefully, without haste and without alarmism. To date, nothing indicates a significant change in the Brazilian position on the Middle East. On the contrary, our positions are principal ones, and in all of our contacts, the basic guideline is provided by a desire for peace and harmonious coexistence among nations. The time has come to stress this message of peace from the Brazilian diplomatic sector firmly, rather than to withdraw or replace it. We have relations with both warring parties, and we believe that a formula will soon be found which can serve to reconcile the bilateral interests which, despite the war situation, continue to develop normally.

[Question] Could the war in the Middle East lead to World War III?

[Answer] The conflict between Iran and Iraq has bilateral and regional causes and up to the war was limited to the local level. There has not been a spread of the conflict moreover which could serve as the springboard for its escalation and internationalization. My impression is that both on the regional and on the world level, the behavior of the various interested countries, including the superpowers, has been in the direction of containment and a search for mediation. The non-aligned countries, the Islamic Conference, and the OPEC itself have sought to find formulae serving to deal with the impasse and put an end to the warlike activities. I believe that the conflict can profit no one and its pursuit only serves to create additional risks of regionalization and internationalization. In any case, the inclination of the international community is toward peace. This leads me to believe that we are not by any means on the brink of a world confrontation. Diplomatic efforts are being pursued precisely in the direction of peace, and I very much hope that they will be successful. I discount the World War III possibility.

Relations Based on Mutual Respect

[Question] Are the breakoff of the military agreement between Brazil and the United States and the differences between the two countries on the nuclear and human rights issues still interfering with Brazilian-American relations?

[Answer] Our relations with the United States are multi-faceted and complex and incorporate a firm tradition of friendship and cooperation. More than that, they are relations which have fully matured today in a clear understanding of the common values and interests which link them together. It is precisely the level of maturity achieved that allows us, both Brazilians and Americans, to accept our differences in prospective and specific interests without allowing this to shake the structure of the relationship. The episodes mentioned fit perfectly within this perspective: they represent moments of natural differences and have already been absorbed. Brazil has been able to maintain the integrity of its traditions and the Americans have understood that situational interests should not disturb the overall framework of the bilateral relations.

[Question] The visits paid by President Figueiredo to Buenos Aires and by President Vidella to Brasilia are auspicious events in the relations between Brazil and Argentina, which have a long history of disputes. On what principles is this new Brazilian policy with regard to Argentina based and what are the goals it seeks?

[Answer] We have a tradition of friendly coexistence with Argentina and our relationship today is extremely dynamic and comprehensive. Thus there is no new policy with regard to Argentina, but simply a desire to raise our relations to a higher level, to explore their full potential. We have a broad willingness to engage in dialog with the people of Argentina, as with Latin Americans in general. I even believe that this particularly difficult moment for the international system encourages an introspective trend in Latin America. We must pursue our potential for cooperation, which has almost been neglected in these years of independent life for our countries, to the fullest. I think moreover that the visit paid by President Figueiredo will have two basic goals: to indicate our readiness for dialog with our continental neighbors and to assert profoundly the natural solidarity which links us with the Argentine people. General Vidella's prompt repayment of President Figueiredo's visit clearly indicates the level of understanding the two countries have reached.

[Question] In Latin America, does the Itamaraty Palace espouse a broad policy with all countries or a bloc policy?

[Answer] I am certain that contacts based on blocs, in search of power balances, will only beget misunderstandings and will contribute nothing to the materialization of the ideal of continental unity and integration. Latin American countries are in a privileged position to practice cooperation and solidarity, a practice which on the basis of mutual respect and good sense can be instrumental in the substantial development of our countries. The situation is a privileged one for many reasons, mainly the variety of national experiences, diversity in development potential, well-rooted principles of mutual respect and self-determination, institutional structures for cooperation (ALADI, SELA [Latin American Economic System], Amazon Cooperation Treaty, Plate River Basin Treaty and other successful joint undertakings), absence of structural political conflicts, and an inclination to conciliation and peaceful solutions. It would make no sense to undermine this privileged position by inventing blocs or axes that would run against the grain of Latin American history and aspirations.

[Question] Is there a possibility that President Figueiredo will visit the Soviet Union or People's China?

[Answer] It is the president himself who decides on such trips. Obviously there is always the possibility that he will visit countries with which we have relations. The USSR and China are two great powers with which we maintain high-level diplomatic and economic relations, with a potential for expansion to our mutual advantage.

[Question] What is the Brazilian policy with regard to the Palestine issue and the PLO [Palestine Liberation Organization]?

[Answer] The positions of principle on the Middle East issue are well known. Beyond that, Brazil has consistently and coherently maintained the same basic guidelines on the Palestine question since the end of the 1940s. To summarize our position today, I would say that Brazil is interested in the establishment in the region of bases for a comprehensive and just peace and one likely to be permanent. In this connection, recalling the positions I set forth in my most recent statement at the United Nations, I believe that various factors must be taken into account. Finally, I believe that the problem of regional security should be placed within this general context, so that it will take on truly enduring aspects. Security must be based on a diplomatic process, mutual confidence, and not on military schemes which create situational guarantees but can undermine the need for closer relations and hinder any effective scheme for regional reconciliation.

[Question] Is the Itamaraty Palace working to ensure that the oil supply will not be interrupted as a result of the war in the Middle East?

[Answer] The Itamaraty Palace, within its proper sphere of action, has always worked with PETROBRAS [Brazilian Petroleum Corporation] and other government bodies involved in the sector with a view both to guaranteeing an oil supply for Brazil on a proper level and diversifying the sources of supply as much as possible. It is clear that the present conflict between Iran and Iraq is making this collaboration still more crucial. After all, about 50 percent of our oil imports are at stake. Fortunately, thanks in particular to our excellent relations with the oil-producing countries, it has been possible to keep the oil supply at an adequate level.

[Question] Why is Brazil opposed to the military pact among the countries in the Southern Cone?

[Answer] Brazil does not support the idea of sub-regional alliances. In general, alliances are defensive in purpose. We do not see, at least within the present Latin American context, the slightest sense in a bloc policy with divisive effects.

Brazil and Africa

[Question] What are the political goals sought by the Brazilian government in its policy of closer relations with the emerging nations in Africa?

[Answer] We have in fact sought to intensify our contacts with African nations in the most widely varied sectors. And the results can be seen: trade has increased, we have launched programs for providing services, programs and technical cooperation, political dialog is developing and contacts covering widely different levels and sectors are becoming frequent. This increasing closeness and its intensification are positive and pertinent aspects of our foreign policy. It is important to make it clear that in this effort toward closer relations with Africa, which is also an effort being made by Africa in our direction, we have no intention of strengthening our international image. Brazil's purposes are to pursue with its African partners a policy of strict equality, mutual respect, and a common search for undertakings and achievements beneficial to our peoples. In short, we have already made substantial progress in this path. We Brazilians and

Africans have succeeded in overcoming obstacles which, due to the tradition of vertical relations, have made difficult and often prevented contact and exchange of experience among the developing countries. As I have already mentioned, the results are visible, but the main thing I believe is that we have succeeded in establishing firm channels for closer approach and dialog. The path toward co-existence is clear and is today being pursued in friendship and realism, offering excellent prospects for the future.

[Question] How does the Itamaraty Palace view the criticisms to the effect that President Figueiredo's visit to Chile did nothing but contribute to solidifying the international position of the government of General Pinochet?

[Answer] Relations between Brazil and Chile have a long and rich history, always characterized by mutual respect and cooperation. This is a relationship which historians have already termed exemplary friendship. The basic goals of President Figueiredo's trip to Chile were to renew the traditional sense of friendship and at the same time to seek new ways and means for contact between the two peoples.

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CSO: 3001

FORMER BRAZILIAN COMMUNIST PARTY SECRETARY PRESTES EXPRESSES VIEWS

Support of 7th Congress

Rio de Janeiro JORNAL DO BRASIL in Portuguese 21 Nov 80 p 2

[Text] Sao Paulo--Former Secretary General of the Brazilian Communist Party (PCB) Luiz Carlos Prestes announced yesterday that he will attend the 7th Congress of that party scheduled for the first half of next year, although he is not certain it can be held. He believes that the preparations for the congress are lagging and he recalled that under the National Security Law now in effect an effort to reorganize a proscribed party would be a crime.

Luiz Carlos Prestes, who has broken with the current leadership, criticized the PCB leadership again for adopting the convocation of a national constituent assembly as a priority goal and agreeing to this action by President Joao Figueiredo. He said that the new leaders are not communists, "because the true communist does not deceive the masses."

Self-Criticism

"A constituent assembly today," he said, "would not resolve the problems of the nation. In the situation in which we find ourselves, with the National Security Law, the Falcon law, the law limiting the right to strike, the law limiting trade-union freedoms, the law prohibiting party organization, and mainly the illegality of the PCB, such a constituent assembly would not be representative of our people."

Mr Luiz Carlos Prestes believes that priority should be given the struggle to get these laws revoked "and the constituent assembly should come as the culmination of this series of democratic triumphs." He insisted that the convocation of a constituent assembly would make no sense "unless it were possible to debate and criticize the dictatorship on television" and also "unless there were a trade-union structure different from the existing one, with its leadership subordinate to the Ministry of Labor.

"This position of mine," the former communist leader explained, "is the result of self-criticism. In 1945, under different conditions, without the National Security Law and while the PCB was legal, it was Getulio Vargas who convoked the constituent assembly and we supported him. The fact was we overestimated the capabilities of that constituent assembly. In a parliament of 300, we managed to win only 15 deputies' seats. We were not able to do anything. I recall that

after speeches lasting 2 hours I made in defense of agrarian reform, Deputy Aliomar Baleeiro came to me and said: 'You are wasting your time. Don't you know that all of us here are sons or sons-in-law of large estate owners?'"

Mr Luiz Carlos Prestes went on to warn: "This propaganda in which the so-called communist leaders are engaging, agreeing with President Figueiredo on a constituent assembly, is useful to the government. President Figueiredo may even convoke the constituent assembly, but we should have no illusion that it will be any different from this parliament we have now. The people who are raising this banner are making a mistake and in practice they are deceiving the masses."

Opposition to Constituent Assembly

Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Nov 80 p 2

[Text] Sao Paulo--In connection with the immediate convocation of a constituent assembly, Luiz Carlos Prestes termed it yesterday "a double risk: if he wins the support of the masses, President Figueiredo will convoke it, and under the actual laws it will serve no purpose. If the dictatorship falls and immediate convocation is on the party schedule, we will have to convoke it and very frequently this is not desirable."

The former secretary general of the PCB initiated the series "Documents for History," sponsored by the Equipe School. In a 2-1/2-hour statement to about 300 persons, he reviewed his political life, ranging from 1922 up to an analysis of current political parties, proposing that "the opposition join with us," with the exception of the Popular Party (PP).

Constituent Assembly

In terming the proposed constituent assembly "a double risk," Luiz Carlos Prestes commented that "the fall of the dictatorship could occur at a revolutionary moment when anti-monopoly, anti-estate-owning and anti-imperialist power is won. And if the immediate convocation of a constituent assembly is a part of our program, we will have to convoke it.

"Nicaragua did not accept the proposal of the petite bourgeoisie and did not convoke a constituent assembly. Cuba waited almost 17 years after the revolution to convoke one. It is necessary first to consolidate power, the dictatorship of the proletariat," he added.

Applauded whenever he spoke directly or indirectly of his former post as secretary general of the PCB, Luiz Carlos Prestes defended "the opposition parties' joining with us," with the exception of the PP which he termed the "alternative party of the PDS [Social Democratic Party]." The PMDB [Brazilian Democratic Movement Party], he said, "is the heir to the victories of the MDB [Brazilian Democratic Movement], which achieved a great mass base and purged itself of its most conservative wing.

"The PTB [Brazilian Labor Party], with Ivete Vargas, is an artificial party. The image of Janio Quadros may have electoral influence, but it is negative, because

of his past and behavior in recent years, as an admirer of Geisel and Figueiredo, an anti-communist and a reactionary. The PDT [Democratic Labor Party] carries the tradition of Vargas and Goulart and still has a certain influence. The PT [Workers' Party] is a workers'-class prerogative, but its program had some bad points at the beginning, opposed to Soviet imperialism, and some anti-communist positions. What influence does the PT have? There is a difference between participating in elections and voting. Unity is difficult, but we are not intransigent with any of the parties," he added.

Statement

In his statement to the teachers at the Equipe School, which will be the basis of a book, Luiz Carlos Prestes stated that in the 1964 movement "we were caught by surprise and defeated. The basic error was making claims to achieve which the strength was lacking. The trade-union movement was a top-level matter. There was no organized party in the enterprises. The workers' class was defeated without a struggle, which demoralized it."

He recalled that in 1981 "it will be 60 years since I became a conspirator," and he made a lengthy survey of his political life since 1921. He said that the lieutenants' movement and the Prestes Column had no concrete political or ideological goals. "The basic thing was to replace Arthur Bernardes." And simply by participating in the column, he saw poverty "and the social problem which is not resolved by the replacement of men."

He said that his withdrawal from the lieutenants' movement occurred in 1930, when he refused to support Getulio Vargas as a candidate, after meeting with him twice to ask for weapons for the revolution. "The pressure on me was very great. The lieutenants believed support timely. They wanted amnesty."

Although he termed the 1935 campaign the "peak moment in the life of the party, when we took up arms against fascism," he identified two errors. "It was exclusively military, without organization of the party in the enterprises. We narrowed the front by adopting an anti-imperialist and anti-estate-ownership tactic. Many anti-fascists abandoned us."

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CSO: 3091

DECLINE IN TRADE BALANCE DEFICIT SEEN IN OCTOBER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Nov 80 p 24

(Text) Brasilia--The deficit in the trade balance last month was \$80 million U.S., the lowest this year, if we exclude the fact that in May a slight surplus of \$10 million U.S. was reported. With this result, the negative balance from January to October was increased to \$2.976 billion U.S., with cumulative exports of \$60.310 billion and imports of \$19.286 billion, according to Foreign Trade Department (CACEX) figures released yesterday by the secretary general of the Ministry of Finance, Eduardo Carvalho.

The deficit in the trade balance in October of last year was \$394 million, and the total for the first 10 months of 1979 was \$1.982 billion. Exports last month totaled \$1.91 billion, as compared to imports of \$1.99 billion, including \$697 million in oil--one of the lowest monthly expenditures on such purchases for this year. In September of this year, the trade balance showed a deficit of \$430 million U.S.

In releasing these figures, Eduardo Carvalho stated that "there will be no problem" in reaching the \$20-billion export level. He made a point, moreover, of one comment: "This is one of the few major government goals being achieved." In order to reach this volume of sales of Brazilian products on the foreign market, exports will have to come to \$1.845 billion U.S. per month in November and December. If the October level is matched (\$1.91 billion U.S.) this will not be a problem and the \$20-billion-U.S. level will be assured.

This goal represents a victory for the government, which has succeeded in increasing its exports by 30 percent this year in comparison to the \$50.2 billion U.S. worth of goods sold last year, the secretary general of the Ministry of Finance noted. "This is a spectacular result," he stressed, "in view of the fact that three factors were working against it: a very active domestic market, which discouraged exports; the very serious recession in the United States, reflected in the countries of Western Europe--the two main markets for Brazilian products; and the foreign exchange policy which has not always favored exporters."

The deficit this year is expected to come to between \$3 and \$3.1 billion U.S., according to Eduardo Carvalho. "Imports should continue at the rate seen in October, because we have our foot on the brakes," he said, stressing that the effects of Resolution No 638, which requires that the minimal period for financing

obtained on the international financial market be observed for imports, will be felt more keenly in November and December.

Plans for '81

Although he did not wish to cite figures (\$26 billion U.S.), the secretary general of the Ministry of Finance said that "there is no reason not to believe that exports next year will show the same development as was reported this year." This will be achieved, he said, through a more realistic exchange policy, which has already been announced, and more consistent financial support mechanisms and a larger volume of resources than were available this year. Carvalho also believes that the economy will not show as much growth as this year (8 percent), but that there will be a cooling process which will lead to a level nearer 5 percent, which would serve to encourage exports.

On the import side, Carvalho stressed that it is difficult to make a projection, because no one knows how prices will develop on the foreign market, particularly oil prices. He emphasized however that there was a physical decline of 3 percent in the volume of imports this year. "This is an important figure," he stressed.

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CSO: 3001

GOVERNMENT TO ALTER FOREIGN TRADE POLICY IN 1981

Rio de Janeiro O GLOBO in Portuguese 21 Nov 80 p 21

[Text] The director of the Foreign Trade Department (CACEX) of the Bank of Brazil, Benedito Moreira, told industrialists in Rio de Janeiro yesterday that the government will completely reformulate its foreign trade policy beginning in 1981 for the purpose of achieving a positive balance of trade next year.

"From now on businessmen will be jointly responsible for the foreign trade results and when the time comes they will have their rewards. I can give assurance in advance that a positive balance next year will be achieved more through an increase in exports than through reductions in imports."

Benedito Moreira said that the CACEX proposal for the drafting of a new export declaration form will be presented to businessmen. From what he said, plans call for the substitution of a statement which will avoid the CACEX procedure for the export guide. The exporter will pursue his sales and shipment operations normally and the government will not approve the regularity of the transaction until after the fact.

As to facilities for imports, he said that each business sector will have to submit to the CACEX its purchase plans and, in a discussion between the government and business bodies, the products and the volumes to be imported will be listed. Benedito Moreira said that in the medium time range a program guide which will eliminate the import guide will be in use. In this case too the businessman will pursue his transactions without prior control by the CACEX.

Deficit

Benedito Moreira estimated the trade deficit for this year at between \$2 and 3 billion U.S. He laid responsibility for the situation with the increases in oil prices.

"I endorse the criticisms businessmen made of our import control system, but the fact is that this policy had to be implemented to prevent a critical balance-of-trade situation. I know that many people suffered from this policy but there was no alternative."

He went on to say that there will be "greater calm" in 1981 for businesses to plan their imports. "And it is because of this that we are asking for suggestions from

businessmen on the drafting of the new policy, since responsibility for control of the trade balance will now be shared by the government and the businessmen."

The government representative again gave assurance that there will not be another major devaluation of the cruzeiro "because this would hurt many people."

In his view, the anticipation of the new exchange policy to become effective in January is not causing exporters to hold back their products. He termed any such possibility "madness," because, he said, everyone should be trying to raise his export financing quota for next year at this time, since it is based on the performance of each exporter. "Who is going to stop exporting now and receive less financing at 24 percent interest next year?"

As to the new export goal for 1981 (\$26 billion U.S.), Benedito Moreira said it is entirely possible. He recalled that the total foreign trade volume comes to \$2 trillion U.S. "Twenty-six million U.S. dollars is a drop in the bucket on this market and therefore it can easily be attained."

Support

Sao Paulo--Benedito Moreira said during his visit to Brazil Export '80 that the government is studying a mechanism which would guarantee the machine sector profitable exports without suffering losses due to possible variations between the foreign and domestic inflation indices.

"This is a kind of exchange risk guarantee," Moreira explained, "which might either be produced by some kind of insurance or through a guarantee from the government itself. What we cannot allow is for this problem in the capital goods sector to continue."

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CSO: 3001

FIGUEIREDO APPROVES CARAJAS EXPORT DEVELOPMENT PLAN

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Nov 80 p 29

[Text] Brasilia--Yesterday, during a meeting of the Economic Development Council, President Joao Figueiredo authorized the implementation of the so-called "Greater Carajas Project," which calls for the establishment within the structure of the Planning Secretariat of an interministerial council for the purpose of making the undertaking viable, including the granting of tax and financial incentives.

The Carajas Project, designed to stimulate exports, will require investments in excess of \$33 billion over a period of 10 years. These funds, according to the Planalto Palace, will be obtained by means of enterprise capitalization, in order to avoid additional inflationary pressures. The mining portion of the project will come under national control, while the part pertaining to industrialization (such as metallurgy and others) will be covered by the establishment of joint-venture companies, with priority given associations with enterprises undertaking to guarantee the sale of the product. Immediately thereafter, the project should bring in foreign exchange, with exports worth \$10 to \$11 billion per year, at today's prices, enough to meet the country's needs, according to official estimates.

The Project

The Carajas Project will be implemented in the states of Para and Maranhao, over an area bounded by the Amazon, Xingu and Parnaiba Rivers, to the 8's [sic] parallel. The undertakings authorized yesterday include, in addition to other services, the building of the Serra dos Carajas-Sao Luis railroad, the building or expansion of the port system, undertakings to develop waterways with the capacity to transport a large volume of freight, and hydroelectric utilization of the rivers in the region.

Parallel with this, research, prospecting, extraction, primary processing, treatment or industrialization of minerals found in the region, as well as projects pertaining to crop raising, livestock breeding, fishing and agroindustries, afforestation and reforestation, the processing and industrialization of wood. The major project also includes the utilization of the energy sources available in the area, including the Tucuruí hydroelectric plant.

With yesterday's decision, the Economic Development Council (CDE) completed its examination of the Carajas undertakings. Last 15 October, during another meeting, the council approved the launching of the Carajas iron project.

According to information made available by the Planalto Palace, after the CDE meeting, it was decided to establish an interministerial council to supervise the project with a view to simplifying the handling of the processes pertaining to the program. The government wants to facilitate the advance of these procedures as much as possible, and to this end, it will have a single interlocutor for contacts with the business community interested in investing in the sector. The council will be headed by the minister of planning and other members will include the ministers of mines and energy (vice president), transportation, industry and commerce, finance, interior and agriculture. Apart from establishing policies and criteria pertaining to the evaluation and utilization of specific programs and projects, the interministerial council will also examine the provision of incentives and the supervision of the allocation of resources for such undertakings.

At yesterday's meeting of the CDE, President Joao Figueiredo said he hopes it will be possible with the creation of the council substantially to shorten the time needed for analysis and utilization of the projects which, once approved, will be regarded as having priority for licensing and other measures of an administrative nature pertaining to their execution.

Foreign Exchange

Within 10 years, when the Carajas Project is completed, the country will be able to count on an annual foreign exchange income of about \$10 or 11 billion, "figures consistent with the needs of Brazil in the coming years."

The total Carajas investment is estimated at \$33.613 billion U.S., of which 15.43 billion is included in the non-ferrous minerals portion of the project, 15.91 in the ferrous and associated ores project (sinter, pig iron, manganese, etc), and 2.28 billion in the crops and livestock portion of the project. However, the \$33-billion-U.S. total is not consistent with an explanatory statement distributed yesterday afternoon by the mass communications secretariat of the Planalto Palace, which mentions a total investment of \$26 billion U.S.

The crop and livestock projects include the purchase of areas, clearing, re-forestation, forest exploitation and charcoal-making, involving investments of \$1.36 billion U.S., to bring in foreign exchange totaling about \$420 million U.S. per year; the addition of 1.5 million hectares divided into modules for the production of rice, corn, beans, cassava, soybeans, sugarcane, African oil and other varieties of palm, and other crops, with investments of \$570 million U.S. bringing in \$830 million in foreign exchange, and livestock breeding, including modules for the raising of animals and the growing of forest crops, with resources totaling \$350 million and foreign exchange income of \$223 million.

The portion of the project involving non-ferrous ores, with an annual production of 6,420,000 tons of aluminum, bauxite, aluminum oxide, laminates, copper, metallic copper, gold, sulfuric acid and metallic silicon, will require a total investment of \$15.423 billion U.S., with a return at the end of 10 years of foreign exchange totaling about \$5.358 billion.

Finally, the iron ore and associated products projects will include the production of iron ore, sinter, pig iron, sponge iron, ferronickel and ferromanganese alloys

and semi-finished steel products, with an investment estimated at \$16.91 billion U.S. and production of 60.81 million tons per year, leading to foreign exchange income of about \$5.07 billion U.S.

**Greater Carajas Project
Agro-Industrial-Livestock Aspects**

Project	Investments (In Millions of U.S. Dollars)	Annual Income (In Millions of U.S. Dollars)
1. Charcoal Purchase of areas, clearing, reforestation, forest exploitation, charcoal production, 179,000 hectares	1,360	420
2. Crop Raising Addition of 1.5 million hectares divided into modules for the production of rice, corn, beans, cassava, soybeans, sugarcane, African oil and other types of palm and other suitable crops	570	830
3. Livestock Addition of 1 million hectares divided into modules for semi-confined breeding, fodder crop raising and the production of 100,000 tons of livestock per year	350	223
4. Charcoal Coke In order to meet the regional metallurgical production needs		

Breakdown of Non-Ferrous Ore Projects

	(7)	Produto (8) (T/Ano)	Investimentos (9) (US\$ milhão)	Receita Anual (US\$ milhão)
1. Alumínio				
Trombetas (5)		2 000 000	400	68
Carajás		640 000	571	200
Paragominas		320 000	1.342	460
PRODUTOS		240 000	1.160	430
Bauxita		1.500.000	10.400	3.390
Alumina				
Alumínio				
Laminados				
2 COBRE				
PRODUTOS:			1.500	770
Concentrado		1.060.000		
Cobre metálico		180.000		
PRODUTOS ASSOCIADOS:				
Ouro			8.5	
Ácido sulfúrico		470.000		
3 Silício metálico		30.000	50	40
TOTAL		8.420.000,5	15.423	5.358

Key:

- | | |
|--|--|
| 1. Aluminum, Trombetas, Carajás, Paragominas, products, bauxite, aluminum oxide, aluminum, laminates | 4. Bauxite |
| 2. Copper products: concentrate, metallic copper; associated products, gold, sulfuric acid | 5. Aluminum oxide |
| 3. Metallic silicon | 6. Aluminum |
| | 7. Product (tons per year) |
| | 8. Investments (in millions of U.S. dollars) |
| | 9. Annual income (in millions of U.S. dollars) |

Iron Ore and Associated Product Projects

Discriminação (8)	(9) Produção (T/Ano)	(10) Investimentos (US\$ Milhão)	(11) Receita Anual (US\$ Milhão)
1. Minério de ferro	3 000 000	1.500	700
2. Sinter	5 000 000	280	150
3. Ferro-Gusa (AF e FER)	1 000 000	2 030	880
4. Ferro-Esponja	2 000 000	500	220
5. Ferro-níquel (20.000 T de Ni contido)	1.980 000	1.120	400
6. Ferro-manganês (alto carbono e ferro silício-manganês)	150.000	500	220
7. Semi-acabados de aço	10.000.000	9.000	2.500
TOTAL	80.810.000	15.910	5.070

Key:

- | | |
|---|---|
| 1. Iron ore | 7. Semi-finished steel products |
| 2. Sinter | 8. Breakdown |
| 3. Pig iron (AF and FER) | 9. Production (tons per year) |
| 4. Sponge iron | 10. Investments (in millions of U.S. dollars) |
| 5. Ferronickel alloy (containing 20,000 tons of nickel) | 11. Annual income (in millions of U.S. dollars) |
| 6. Ferromanganese alloy (high carbon and ferrosiliconmanganese alloy) | |

NATIONAL CONGRESSIONAL DELEGATION VISITS USSR

Rio de Janeiro JORNAL DO BRASIL in Portuguese 24 Nov 80 p 9

[Article by Noenio Spínola: "Brazilians Seek Frank Dialog in USSR"]

[Text] Moscow--When the Brazilian congressional mission headed by Deputy Flavio Marcilio arrives in this city in the first half of December, at least one barrier will have been overcome. Even if the tone of the dialog between Brazil and the Soviet Union does not change drastically, the two countries will be establishing more open and direct political contact for the first time in many decades.

What the Brazilians are coming to achieve is a source of less curiosity in Moscow than in Brasilia. Almost every month and sometimes almost every week delegations from the most widely varied parts of the world come and go, even when the atmosphere has returned almost to a cold war status. It is the Americans themselves who are most realistic and pragmatic.

Sensitive Point

For example, 15 days ago, a mission headed by former UN Ambassador William Scranton came to put out some political feelers. The delegation included Gen (Res) Brent Scowcroft, Ronald Reagan's adviser on foreign policy matters; Helmut Sonnenfeldt, one of Henry Kissinger's closest advisers, and others, all with clear channels open to the new American government. Before the changing of the guard occurs in Washington, Senator Charles Percy, Republican of Illinois, the future chairman of the powerful Foreign Affairs Committee, will also have visited Moscow. Percy will replace Democrat Frank Church, drowned in the same tidal wave which carried off the liberals during whose terms of office the dialog between the United States and the Soviet Union, ironically, became harsh and hostile.

To judge from what is known of the agenda of the Brazilian delegation to date, the highest-ranking person with whom the congressmen will talk will be the first deputy chairman of the Presidium of the Supreme Soviet, Vasilii Kuznetsov, a substitute member of the Political Bureau in charge of state relations in general. The tone will emphasize mutuality, in view of the trip made by a Soviet delegation headed by the Georgian representative, E. A. Shevardnadze, to Brazil this year.

When they arrive in Moscow and begin their talks, which will extend to other Soviet republics, the Brazilian parliamentarians will have an opportunity to see

and discover many things. The most important will certainly be the experience they will acquire by setting foot on a land subject for many years to taboos, including the possibility of coexistence between non-communist developing countries and the nation from which the strongest inspiration for the establishment of this system radiated.

Naturally, they will touch on what may become the most sensitive point for the entire mission: will Brazil engage in a regular political dialog with the Soviet Union, or will it limit itself to the trade relation modest even by Latin American standards?

Pragmatic Line

The Soviets believe that their economic system will win out in the long run, but they have nonetheless pursued a pragmatic line in relations with nations with different systems. The pronouncement in favor of detente and peaceful coexistence has been repeated in recent months, with great emphasis, perhaps to dispel the shadows the Soviet military intervention in Afghanistan has cast everywhere. Two weeks back, in a statement during the visit paid him by the head of the government of Mozambique, Samora Machel, President Brezhnev said that he was in favor of deepening detente and peaceful cooperation among nations. As if in an effort to erase the traces left by Afghanistan, he said: "We have not interfered and we will not interfere in the affairs of other countries and peoples, and we would be pleased if other nations act similarly." More than Africa and Asia, he was perhaps addressing Poland as well.

From what has leaked over the high walls the Soviets place around their domestic and foreign policy, it would seem that this point in relations with Brazil has been raised in Moscow and has hindered negotiations or efforts toward negotiations under pressure from the segments who want full relations, not just economic ones. This is a little bit the reflection of the status as a superpower the Soviets attribute to themselves, but it might also be merely the equivalent of the barriers raised in Brazil by the opposition circles to any intensification of beneficial links with Moscow.

In a talk with this correspondent in Brasilia before the trip by the parliamentary delegation to Moscow was a certainty, Deputy Flavio Marcilio evidenced his pragmatism. If we interpreted his words properly, he does not anticipate anything more or less than the "possibility of coexistence with countries with different systems" and the exploratory nature of his mission in this sense. The culmination of a new "pragmatism" in the country's foreign policy would be the establishment of a date for a visit by President Figueiredo to Moscow, in response to the invitation from President Brezhnev.

Optimism Recovered

On this end, the arguments in favor of greater exchange with the Soviet Union among businessmen and officials in the Brazilian government dealing with foreign trade or investments are consistent. The Brazilian embassy has followed the passage of the delegations through this and other cities and in recent months both Ambassador Sizinio Nogueira and economic adviser Obertal Mantovanelli have recovered the optimism they had lost during the dark days of the Olympic boycott.

The fact is that despite the lukewarm tone in which political detente is discussed, the reflections of Governor Reagan's pragmatism are already beginning to be noticeable. Last week, for example, trade barriers between the United States and the USSR began to fall. It is not without reason that the American government itself has announced approval of the sale of oil pipeline components by Caterpillar for a gas line between the rich fields in Siberia and Eastern Europe. For what is the logic in hindering the development of raw-material production in a world which has an ever-greater need for energy?

Eastern Europe has already met 20 percent of its gas requirement through the USSR, and the prospects for doubling the supply as the rich producer regions in Yamal, in Siberia, are developed were announced this week.

Recognition of Interdependence

Those who live here know that the Soviets, in opening up their sources, are not just seeking a strong position as a supplier of vital raw materials, but also acquiring access to interdependence which will increasingly characterize international life in the coming decades.

The USSR, to speak the truth, is still a country with an economic system full of shortcomings, vulnerable to the fluctuation of the harvest, and with giant coexistence problems on its Asiatic frontiers. The standard of living of the people is low in comparison with Europe or the United States, and it can only rise rapidly with an atmosphere of international detente making it possible to limit its astronomical expenditures on the heavy security apparatus.

Similarity of Products

Greater trade with Brazil also means diversification of the sources of supply, which does not always seem to have been clearly understood by the Ministry of Foreign Trade here or that in Brasilia. Brazil can import technology and equipment and export raw materials and manufactured goods, but the range of options explored to date has not produced substantial practical results. An argument frequently used against such trade stresses the similarity of products in Brazil. This is a barrier which it would seem is being overcome.

In an interview with JORNAL DO BRASIL, Yuri Smel'yakov, chairman of Tekhnoprom-eksport, an enterprise which has to its credit the building of the Aswan Dam in Egypt, and international agreements in the most widely varied energy fields, expressed interest in the development of projects which he hoped would come about through the "development of contacts already established to our mutual benefit." Smel'yakov admits that these problems of similarity exist, but he still believes that there are many sectors in which technology already tested and developed by the USSR can be advantageously transferred to Brazil.

"What has happened in the world," he said, "has simply been the abandonment of viable fuels in favor of others which emerged and became important while they were cheap, such as oil. Now we are turning again to other sources, such as the production of steam by turbines thanks to the burning of schist or other less heat-productive raw materials."

Brazil and Argentina

It is not without reason therefore that technicians from the Ministry of Mines and Energy and other representatives of private businesses or Brazilian state governments have come here to study the possibility of exploiting the resources of Santa Catarina, Rio Grande do Sul and other regions. The Soviets are negotiating agreements with Jordan and Morocco for the exploitation of schist, and they say that they have not only mastered the burning technology for thermic plants but also for the extraction of oil at competitive prices through the use of residues. There are two thermoelectric power plants which have been functioning in the Baltic region for more than 10 years with a capacity of 3.2 million kilowatts. "Therefore the crisis is not in energy," Smel'yakov says, "but in the prices of raw materials."

He says that it is necessary to return to solutions abandoned while oil and gas were the main concerns because they were cheap and easy.

Whenever there is talk of Brazil, the Soviets, who it must be admitted have a sometimes simplistic taste for politics, there is also talk of Argentina, in a search for what seems to them to be a way of encouraging competition in Latin America. They stand firm not only on the Olmos project, in the Peruvian Amazon, but also on the studies for a hydroelectric plant on the Middle Parana. According to still-unconfirmed rumors, sooner or later they will also supply some substantial raw materials proposed on General Videla's ambitious trade list. The fact is that the Argentines sold 7,300,000 tons of grains there this year and by September they will have sold another 1,300,000, as well as 70,000 tons of meat.

The agenda the Brazilian parliamentarians will follow will certainly not clarify all these details, but they will in any case be able to sense and see at close hand many sectors in which not only their industrial and technological progress, but also the level of their own interdependence with the rest of the world, are revealed.

On meeting with the head of the foreign relations commission of the Supreme Soviet, Flavio Marcilio will be able to ask for example about the development of the nuclear policy for peaceful purposes in the coming years. A similar question will certainly be asked by Senator Percy, author of the draft law on nuclear proliferation proposed in the same period when the White House was sending its famous non-proliferation bill to Capitol Hill.

The Americans have sought to achieve a political alignment with the USSR in all aspects related to the development or the dissemination of technologies considered applicable to nuclear proliferation. The two countries proceeded hand-in-hand for a time, but with the increasing line of differences between the Kremlin and the White House, the Soviets began to defend types of reactors which President Carter proposes to freeze. This, like other foreign-policy pursuits of the superpowers of vital interest to the countries in the process of development, will be defined or redefined in the course of the painful process of detente between East and West while the guard is changing in Washington and preparations are being made here for the 26th congress of the Communist Party, an atmosphere truly favorable to "feelers."

PRESIDENTIAL PROMOTION OF ARMED FORCES OFFICERS REPORTED

Rio de Janeiro JORNAL DO BRASIL in Portuguese 25 Nov 80 p 9

[Text] Brasilia--President Joao Figueiredo signed a decree today promoting 18 officers in the army, navy and air force, among them Gen Alacyr Frederico Werner, to lieutenant general; Minister-Chief of the National Intelligence Service Octavio Medeiros, to major general; and Secretary of the National Security Council Col Rubem Carlos Ludwig, to brigadier general.

Army

The following were promoted to lieutenant general: Maj Gens Rubens Mario Brum Negreiros, Moacyr Pereira and Octavio Aguiar de Medeiros. The following were promoted to brigadier general: Infantry Col Brummel Couto, Cavalry Col Waltencir dos Santos Costa, Artillery Col Almerio Jose Ferreira Diniz and Infantry Col Rubem Carlos Ludwig.

Navy

Rear Adm Luiz Edmundo Brigido Bittencout was promoted to vice admiral, and Cpt Ivan da Silveira Serpa was promoted to rear admiral.

Marines

Vice Adm Domingos de Mattos Cortez was promoted to full admiral, Rear Adm Carlos de Albuquerque was promoted to vice admiral, and Cpt Coaraciara Bricio Godinho was promoted to rear admiral.

Naval Engineers and Technicians

Rear Adm Aloysio Ferreira dos Santos was promoted to vice admiral, and Cpt Paulo Geraldo de Almeida Barbosa was promoted to rear admiral.

Navy Medical Corps

Cpt Mario Serrat Rodrigues was promoted to rear admiral.

Air Force

Cols Lair da Silva Andrade and Dilson Lyra Castello Branco Vercosa were promoted to the rank of brigadier general.

BRIEFS

PROFESSORS', PUBLIC SERVANTS' RAISES--President Figueiredo has approved a new academic scale which will go into effect on 1 January, according to which university professors will be divided into four categories: full professor, associate professor, assistant professor and instructor. The salary of a full professor working full time has been increased from 64,000 cruzeiros to 139,000 cruzeiros, that is, a 117 percent increase. The general strike command has issued a note calling the professor to hold general meeting to vote on whether to end the strike or not. Luí Pinguelli, chairman of the UFRJ [Federal University of Rio de Janeiro], stated that the national strike of professors has been successful: "The proposal which has been submitted for our consideration truly fulfills most of the professors' demands." President Figueiredo has also approved an average 82.25 percent increase in the salaries of federal military and civilian public servants. The increase will be granted in two cumulative phases: 35 percent on 1 January and 35 percent on 1 April. The new pay scales will be released today. The DASP [Public Service Administrative Department] has reported that in compliance with presidential guidelines the public servants whose monthly salary is below the minimum (11,577 cruzeiros) will receive a greater increase which could be as high as 108 percent. In the meantime the officials of higher ranks will receive an average increase of 80 percent. [Text] [PY110118 Rio de Janeiro JORNAL DO BRASIL in Portuguese 10 Dec 80 p 1]

SETTLERS HARASSED IN PARAGUAY--Curitiba--Five Brazilian families have been returning weekly from Paraguay after losing their land, and facing threats, violence and imprisonment. The 400,000 Brazilians who have been occupying land at the Paraguayan border have no guarantee for their tenure and are exposed to great instability and insecurity. These conclusions are included in a document released by the pastoral land commission--which is linked to the II Southern Regional Branch of the National Conference of Brazilian Bishops--based on a seminar on Brazilian migration, production structure and work force in the Upper Parana Region, held late in November at Puerto Stroessner. The 200-page document states that 80 percent of the 400,000 Brazilian settlers in Paraguay have no land title. A title, when granted, is only given on a provisional basis and could be canceled at any time. Nearly 300 families residing at the Puerto Salse locality have already paid four times for their land to four alleged owners. [Excerpts] [PY110141 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Dec 80 p 8]

PARAGUAYN OFFICER VISITS--The commander of the 4th Infantry Division, Gen Cesar A. Machuca Vargas, has visited Rio de Janeiro, Resende and Brasilia, where he contacted several military personalities. [Rio de Janeiro O GLOBO in Portuguese 21 Nov 80 p 5 PY]

PDC NATIONAL DIRECTORATE OFFICIALS--The PDC has elected Jose Sarney as president, Prisco Vianna as general secretary, Homero Santos as first vice president and Natal Gale as second vice president of the party National Directorate. [Rio de Janeiro O GLOBO in Portuguese 1 Dec 80 p 4 PY]

WHEAT PRODUCTION--Brasilia--Brazil's 1980 wheat production will amount to 2.69 million tons, 20 percent less than previous estimates made by the Agriculture Ministry. This shortage in production will force the government to import more than 4 million tons in 1981 to meet internal consumption, which is estimated at 7 million tons. [Rio de Janeiro O GLOBO in Portuguese 14 Nov 80 p 18 PY]

HIGHER-YIELD AGRICULTURAL VARIETIES--The Brazilian Agriculture and Livestock Research Enterprise has developed new varieties of wheat, corn, rice, beans, soybeans and manioc capable of yielding at least twice as much as varieties now planted. These newly developed varieties not only have a higher yield per hectare but are also more resistant to plant diseases prevailing in Brazil. Some of these new varieties are already being distributed for planting in regions where they perform best. [Rio de Janeiro O GLOBO in Portuguese 24 Nov 80 [no page given] PY]

CSO: 3001

SOCIAL SECURITY REFORM LAW REVIEWED

Santiago LA NACION in Spanish 6 Nov 80 pp 1A, 16A

[Text] Workers who choose to change from the current social security system to the recently adopted system will see their benefits increase 12 percent because of the new rate schedule, Labor and Social Security Minister Jose Pinera announced last night in his report to the nation on the major aspects of the social security reforms which will go into effect on 1 May 1981.

The Labor Minister was instructed by President Augusto Pinochet to speak on television about the current system and the one that was recently passed into law. In an 18-page speech Labor Minister Pinera analyzed the old system and underscored the benefits of the social security bill which was recently passed into law by the Government Junta and promulgated by the president.

Pension System

The social security reform consists mainly of the establishment of a new pension system without any changes in other benefits currently received by the workers. Such benefits as health, family assistance, unemployment compensation, accident insurance and so forth will not be affected.

The old system was based on the distribution of money from a common fund made up of paycheck deductions and employer contributions. Under such a system, the contributor did not know the exact amount of his contributions, he had no control over them and had no say on how the money he earned would be used. Under political pressures, an unjust system took shape which condemned those who retired to a life of poverty. In addition, the system did not cover some 800,000 workers who cannot retire because they have no payroll deductions. This group of workers includes small businessmen, craftsmen, real estate developers, fishermen and so forth. Another problem was retirement age discrimination. The situation was so absurd that low income workers on the social security rolls were required to be 65 years old before they could retire while the retirement age for congressmen was 15 [sic].

Contributions

Contributions to the new social security system will be [section missing]

The changes in the Chilean social security system to be announced today by the Minister of labor will guarantee the beneficiaries the following: security, justice, opportunity and efficiency.

First, the changes guarantee a minimum pension and that the contributions of low-income contributors, those whose individual contributions are below the norm, will be supplemented by government funds so that they can receive a minimum pension.

The minimum can be exceeded through the contribution system as expressed in accumulated contributions recorded in their personal record books. Deductions will be mandatory for all and will be in direct proportion to the wages received. Those who would like to receive a higher pension or retire before the required age will be allowed to make additional contributions. Voluntary and mandatory contributions are exempt from taxation within certain limits.

The new social security system is based on the principle of subsidies to prevent bureaucratic and ineffective administration from creating financial losses for the contributors. Therefore, the system will be administered by non-government agencies. These agencies will be competitive and will be subject to objective and precise regulations. The beneficiaries can choose the agency they wish to deal with and can change their account from one agency to another.

The new system regulates how the funds are invested and allows investment only in those financial instruments whose prices are public and are actively traded. The new system also regulates the diversification of said instruments and places the agencies administering the system under strict government control. There are new mechanisms which guarantee a minimum return on these investments based on the nation's overall development and that of the pension system as a whole.

The new system to be made public today will be comprehensive and thereby eliminate differences between self-employed and other workers. This is another effort to eliminate discrimination between different classes of workers.

The new system will be completely voluntary because it is based on the free decision of people to choose between their present system without changes or the new system.

Those who decide to change will not lose any benefits they have gained under the present system. It is important that these individuals obtain their individual records containing the number of years deductions have been taken under the present system.

The Main Points

The following is a complete description of the basic points in the social security reforms to be announced by Minister Jose Pinera today.

1. Minimum Benefits

The first goal of the proposed system is to provide solidarity and security at the lower end of the scale. To do this the changes call for minimum old age, disability and survivors pensions which will be applied equally to all who have worked most of their lives. The minimum pensions are guaranteed and funding will be provided from tax revenues to bring individual contributions up to the minimum level.

2. Individual Contributions

Individual contributors can exceed the minimum mentioned earlier through accumulated contributions listed in their individual record book. Thus, an indispensable tie is achieved between a life's work and benefits earned. This is a key element to blocking demagoguery and insuring responsibility from individuals and workers as a whole.

For pragmatic reasons, it has been determined that deductions should be compulsory for all in equal proportion to the wages earned up to a maximum income level. Anyone earning above this level is not bound by this regulation. Mandatory deductions will lessen the pressure from certain irresponsible individuals who would remain at the minimum pension level, thereby pressuring the government and possibly forcing it to take discretionary action.

Anyone wishing to increase the amount of their pension or retire early will be able to make voluntary contributions to their pension savings plan. The resulting increase in benefits will come, therefore, from the personal efforts of an individual and not from government funds or from the efforts of others. The amount to be automatically deducted is calculated so that under normal circumstances total contributions will provide a pension that is comparable to a large percentage of the wages earned while a person is still employed. There is always the assurance of a guaranteed minimum pension. Mandatory deductions and voluntary contributions are exempt from taxation within certain limits.

Individual contributions will be converted into pensions after certain minimum age requirements are met or when total contributions allow it. To convert accumulated contributions into income during retirement, a system has been devised that is consonant with what has been described thus far. Suffice it to say that it is based on freedom and individual responsibility.

Personal contributions will be beneficial to other government actions because they will provide a platform of general opinion to help prevent irresponsible overall actions whose effects on personal income will be directly felt by a majority of the people. Thus, for example, undisciplined production or demagogic economic policy will be more costly for the government because their effects--a drop in the earning power of the social security account--will be immediately and directly felt by each Chilean worker.

3. Efficiency of Agencies

The new pension system is based on the principle of subsidies which should influence all of the government's actions. A well-designed pension system is of

no value if it has bureaucratic, inefficient administrators and its funds are mismanaged, thereby creating losses for the contributors. The nation's social security history categorically shows that the government has not been a good administrator. The red tape and the arbitrariness with which the workers have been treated has been coupled with inadequate and irresponsible handling of the funds. All of this has resulted in the loss of fiscal revenues which have been used to cover the deficits. This loss has been most seriously felt by the very poor because funds were not available for the improvement of health, educational and nutrition services and so forth.

Thus, the reform bill calls for non-government agencies to administer the new pension system. These agencies, which receive adequate incentives and operate under clearly defined objectives, will guarantee that the system will be efficient. Competition among these agencies will be encouraged to the utmost. This competition, coupled with additional safeguards, will guarantee that illegal powers are not created because all of the agencies will be equally regulated by objective and precise regulations.

Another aspect of the bill is that it gives the contributor the freedom to choose the agency in which his social security deductions will be held. This freedom will give an individual an opportunity not only to select an agency but also to change from any one agency that is in compliance with the strict and impartial conditions set by the government to another that is also in compliance. This freedom of choice will reinforce efficiency, stability and security within the new system.

4. Realistic Security

It is possible to create systems which tend to, more so than others, instill greater confidence because they have built-in alert systems and safeguards which operate according to the real behavior of the human being and not according to alleged or unreal behavior. A free system which provides incentives for responsible behavior by all participants is an important guarantee of security. Both are achieved through a system of free choice and individual savings plans such as those outlined above, but, unquestionably, there is an important range of design elements and reasonable restrictions which can be imposed and which go hand in hand with security.

It is for this reason that the reform bill limits both the agencies and their operations. Some of these limitations are that the investment of funds is regulated generically; investments are permitted only in those financial instruments whose prices are public and which are actively traded; that conditions for diversifying these financial instruments are imposed both on the instrument as well as on the trader and the government will exercise strict control over the agencies.

In addition, the bill also contains mechanisms which will guarantee a minimum return on these investments based on the country's overall development and that of the pension system as a whole. Therefore, this introduces an additional incentive for showing good judgment in collective bargaining activities.

All of these provisions just mentioned provide what we would call real and concrete security which is distinct from that in collective or state systems where security is absolute in theory but nonexistent in practice.

5. Social Security for Self-employed Workers

The basic goal of a social security system is to guarantee the satisfaction of certain needs which the social-political system considers indispensable. The satisfaction of these needs should include the entire population since there is no reason why a certain segment of workers should be excluded.

This is why the new pension system is comprehensive and this means that a distinction will no longer be made between self-employed workers and those who work for an employer. With this step the government is again making strides to prevent discrimination among different kinds of workers. There no longer are differences--either in trade union matters or in family assistance matters--between blue-collar and white-collar workers. These will also not exist under the new pension system and they have been minimized in the area of health services. In the field of social security, we are making strides to eliminate discrimination between self-employed workers and those dependent on an employer.

6. Combining the New With the Old System

The profound consequences of social security reforms of this magnitude make it indispensable that a change in its structure take into account, as a basic variable, its political viability. We are not referring to the traditional meaning of the word but rather to general agreement by a majority that the proposed changes are just and necessary and that they safeguard legitimate individual rights.

Fortunately, the program we have just described and the nation's good economic health allow the new system to be offered on an absolutely voluntary basis. As a result, it is based on the free choice of each individual to choose between the existing system without changes and the new system.

This broad option that is available to current contributors, which obviously lessens any kind of pressure or criticism, is made possible, among other reasons, by the security we feel with respect to the advantages provided by the new system.

Those who choose to change systems will not incur any losses. The monetary value represented by an old age pension will be recognized based on a certain average of the contributor's wages and in proportion to the number of years the worker has made contributions to the current pension system in relation to the total necessary for retirement. Thus the importance of the work done recently by the Minister of Labor and Social Security together with the Social Security Fund to recover individual accounts to determine the actual number of years current contributors have paid into the system.

It is important to make clear that the amount recognized, the amount which will be paid once retirement requirements are met, will not amount to an additional fiscal cost. Instead, it will represent only documented obligations that the Treasury and the Social Security Fund have incurred as a result of contributions made by individual workers.

BRIEFS

SALVADORAN REGIME CONDEMNED--Protestant ministers, Catholic priests and Christian laymen of Cuba have demanded respect for the Salvadoran people's right to self-determination and condemned all attempted foreign intervention in that Central American country. A document in this regard was approved during a ceremony here in Havana by the Christian Conference for Peace in Latin America and the Caribbean. The ceremony was held in solidarity with the Salvadoran people. The Christian leaders said that the Salvadoran junta plans to remain in power, not only on the backs of the exploited people, but also on the dead bodies of children, women, workers, peasants and students. [Excerpt] [PA091801 Havana International Service in Spanish 1600 GMT 9 Dec 80]

CZECHOSLOVAK DECORATION--The CSSR ambassador to Cuba, Milos Vojta, today awarded the gold medal with ribbon to Rene Rodriguez Cruz, president of the Cuban Institute for Friendship with Peoples, ICAP, and to Jose Luis Beltran, first vice minister of basic industry and president of the Cuban-Czechoslovak Friendship Association, for their organizations' work in strengthening friendship between the two nations. [FL091930 Havana Domestic Television Service in Spanish 1800 GMT 9 Dec 80]

CDR 1980 ACTIVITIES--Armando Acosta Cordero, member of the Central Committee and national coordinator of the Committee for the Defense of the Revolution [CDR], has chaired a national meeting to analyze the CDR's work in 1980 in terms of vigilance, self-financing and fulfillment of the plan throughout the island. The report read at the meeting, which ended today, showed that 193,200 blood donations were made and 55 million glass containers recovered; there was a 101 percent performance rate in self-financing; and the two revolutionary vigilance shifts were carried out with 96 and 93 percent performance rates, respectively. [FL091930 Havana Domestic Television Service in Spanish 1800 GMT 9 Dec 80]

COSMONAUT'S ACTIVITIES--Col Arnaldo Tamayo, hero of Cuba and the Soviet Union, today visited the Camilo Cienfuegos Military Vocational School as part of his activities in his second day in Pinar Del Rio Province. Following a warm welcome at the center, which has attained the status of national vanguard for five consecutive terms, the students conducted a parade in his honor. Tamayo donated to the school a flag of the intercosmos program. He told the students that the flag should become a symbol of sacrifice and study. The first Cuban and Latin American cosmonaut stated that the school has contributed to some of the gains attained by the province. Later, Tamayo toured Pinar Del Rio City and its industrial area, visited seed beds of the Edel Reyes Enterprise and the Vladimir I. Lenin School. [Text] [FL092114 Havana Domestic Service in Spanish 2105 GMT 9 Dec 80]

AGREEMENT WITH CZECHOSLOVAKIA ACADEMY--The academies of science of Cuba and Czechoslovakia have signed an agreement for the 1981-85 period at the Bolivar Room of the Cuban Scientific Institution in Havana. The agreement calls for cooperation in the fields of physics, mathematics, biology, geosciences, science, technology and other matters concerned with scientific education. It was signed by Ismael Clark, vice president of the Cuban Academy of Sciences, and Josef Riman, scientific secretary of the Czechoslovak Academy of Sciences. [FL102025 Havana Domestic Service in Spanish 1700 GMT 10 Dec 80]

GARCIA AT INAUGURATION--Commander of the revolution Guillermo Garcia Frias, member of the Politburo and minister of transportation, has presided over the ceremony of inauguration of a railway station built in Jovellanos, Matanzas Province, at a cost of around 31,000 pesos. The station is the first of its kind built in Cuba to service the central railroad. It has a waiting room, two platforms and a cafeteria. [FL102025 Havana Domestic Service in Spanish 1902 GMT 10 Dec 80]

CIENFUEGOS COMMUNICATIONS--Pedro Guelmes Gonzalez, member of the Central Committee and minister of communications, has chaired a meeting at which it was reported that the installation of the coaxial cable trunk linking Cienfuegos with the rest of the country will be completed in 1981. This will make it possible to automate to a limited extent the national communication facilities between Pinar Del Rio and Guantanamo. The expansion of the Cienfuegos telephone center and the building of a new post office was also studied at the meeting. [FL102025 Havana Domestic Service in Spanish 1917 GMT 10 Dec 80]

ENVOY PRESENTS CREDENTIALS--Havana--Mwaete Joao Baptista, new Angolan ambassador to Cuba, has presented his credentials to commander of the revolution Juan Almeida Bosque, vice president of the Council of State, at a solemn ceremony held at Revolution Palace. [FL111324 Havana Domestic Service in Spanish 1311 GMT 11 Dec 80]

CSO: 3010

U.S. ENVOY'S, ARCHBISHOP'S STATEMENTS ON KILLINGS DISCUSSED

PA101250 San Salvador Radio Cadena YSKL in Spanish 1325 GMT 9 Dec 80

[Commentary by Salvadoran Broadcasters Association]

[Excerpts] We are pleased to hear the apostolic voice of Monsignor Rivera Y Damas condemning the crime. We are, likewise, pleased with the solidarity of the U.S. ambassador, Robert White, who, shocked and deeply moved by the tragic events, said something that coming from a U.S. ambassador can be subject to many serious interpretations.

The U.S. ambassador told the Jesuit authorities of the San Jose Seminary, as he condemned Thursday's crime against the leaders of the Democratic Revolutionary Front, that they were not alone; that the government of the United States was joining the great majority of Salvadorans who wish for an end to these horrible crimes committed by mad extremists of both political extremes.

The ambassador has put the finger on the sore. However, we ask him how are we to interpret his statements that the Jesuits of the San Jose Seminary are not alone, and that the United States joins the great majority of Salvadorans? And to what majority of Salvadorans is he referring? Those who mourn the death of the six unfortunate leftist leaders or to the other majority that represents so many other slain leaders such as Ernesto Regalado, Foreign Minister Mauricio Borgonovo, or the Japanese industrialist Matsumoto, or Manuel de Jesus Rivas Rodriguez, manager of the international fair, or Dr Efraim Joveli, or Col Carlos Alfredo Choto, or Dr Ruben Alfonso Rodriguez, and a long endless list. All of them were Salvadorans, some representing the productive sector of the country, others merely persons who had through their personal efforts surpassed the average citizen.

It is difficult to believe, Ambassador White, that the United States should join a majority of Salvadorans, not including another majority that includes not only the rightist elements but also those of the center, but those who President Nixon [as heard] once called the silent majority, because it is the one that is not organized in either rightist or leftist groups.

Is it not time, Ambassador White, for a definition of position? Does the present U.S. Government really defend human rights or is it merely favoring one extreme while leaving the other extreme unprotected and at a disadvantage? Is the human rights doctrine onesided? Or is it even handed and can be used to punish those who, abusing of their rights, attack the rights of others?

As to Monsignor Rivera Y Damas, why is his solidarity directed toward one extreme while overlooking the bloody actions of the other extreme. They are all Salvadorans and human beings. The administrator of the Vatican Nunciature has the serious responsibility of saving the Christian regime by safeguarding the prestige of the Catholic church which in recent years has lost its moral position as spiritual leader of our people by making serious mistakes. Let the bishop visit the Flor Blanca National Stadium every afternoon to see the followers of the Protestant church praying for peace for there. He might learn a lesson.

CSO: 3010

BRIEFS

LIST OF PROSPECTIVE VICTIMS--In a communique issued by its political committee, the Communist Party of El Salvador [PCES] has denied that it had prepared a list of over 80 persons who were to be assassinated. A national guard bulletin last week reported the existence of such a list, containing the names of 82 persons, their office and home telephone numbers, some personal descriptions, the route they follow daily and even their license plate numbers. The national guard bulletin indicated that the list had been found during a search, on 11 November, of the Eureka Art Gallery on West 1st Street, between North 69th Avenue and San Antonio Abad Boulevard in San Salvador. [Text] [PA031621 San Salvador EL DIARIO DE HOY in Spanish 2 Dec 80 p 5]

FDR APPEAL--Mexico City, 5 Dec (AFP)--El Salvador's Revolutionary Democratic Front [FDR] today appealed to the people and church of the United States and the rest of the world to report acts such as the murder of four American nuns in that Central American country. In a press release delivered to AFP, the FDR exhorts the world community to "demand that the U.S. Government discontinue its economic and military support for the Salvadoran Government." The FDR repudiated the murder of the nuns Ita Ford, Maura Clark, Dorothy Hazel and Jean Donovan, whose bodies were found yesterday near the Salvadoran capital showing signs of torture. [Text] [PA061355 Paris AFP in Spanish 0507 GMT 5 Dec 80]

CSO: 3010

COMMUNIST THREAT TO POSTINDEPENDENCE BELIZE NOTED

Belizean Editorial Quoted

Guatemala City EL IMPARCIAL in Spanish 12 Nov 80 pp 1, 2

[Text] In connection with the UN decision to recommend unilateral independence for Belize, the opposition daily, THE BEACON, which is published in that Guatemalan territory, includes in its most recent edition the following editorial which considers that the above mentioned decision sentences Belize to a destiny worse than death.

The editorial of THE BEACON says:

"That which presently is occurring in Belize is like one of those nightmares that cause the spine to shudder with terror even when the person is already awake. The basic difference between human nightmares and that of Belize is that Belize can never awaken from what it is experiencing.

The Belizean nightmare originates in the debate that is taking place in the United Nations, which proposes to the countries of the world that they sentence Belize to a destiny worse than death.

It has been decided that Belize should become independent, even though Guatemala's claim has not been resolved, and even though it means the invasion of a defenseless Belize by Guatemala.

But the destiny to which Belize is being sentenced is even worse than that of a Guatemalan.

The communists are smacking their lips with relish at the opportunity of utilizing a defenseless Belize as a base to penetrate Central America.

What better ports than those of the city of Belize and Commerce Bight for the infiltration of communist armament into Central America and Mexico!

It will not even be necessary for the communists to lay hands on Belize through armed action. The ministers of the ruling regime have not said that the communists are already in power. The communists are the ones who are so vigorously demanding immediate independence.

But the worst of the Belizean nightmare is that it is in the name of self-determination that the United Nations are hurling Belize to the abyss of destruction. They claim that we want this because that is what the communists who are present in our government say so.

They do not permit the Belizean people to speak for themselves through a referendum and say whether or not we want to destroy ourselves. Central America is being snatched bit by bit and we are no exception. But Belize, which survived the battle of Cavo St. George, can surprise the conspirators and schemers. Wake up, people of Belize; wake up!"

British Neocolonialist Policy Scored

Guatemala City EL IMPARCIAL in Spanish 13 Nov 80 p 2

[Editorial: "Popularization of Belize Situation in the UN"]

[Text] "Guatemala maintains its position with regard to the problem of Belize, a part of its territory that is unlawfully held by the United Kingdom, and it has not backed away from, nor will it back away from, its territorial claim against Great Britain. This is a problem that must be resolved before any kind of recognition and settlement of the interests of a cultural ethnology that emerged and developed in the old Spanish grant to the cutters of logwood and other lumber in the last third of the 18th Century, which logically is synonymous with the situation of ethnic minorities in national territories.

Said ethnic minority is not in any way British, even though the occupation was inaugurated and is maintained by the colonialist spirit and interest of the British, who openly declared that, upon seeing themselves obliged to liquidate their 'great empire,' gave greater attention and a new direction (what we have qualified as 'neocolonialism') to the British Community (the Commonwealth), on behalf of their political aspirations and the strengthening of the economic zone of the free sterling, apart from the fact that the presence of their allies in the area of the Caribbean makes it possible for them to maintain the remnants of their former predominance there and their influence in the Western Hemisphere, even through the member countries of the Organization of American States.

A calculating and advantageous attitude--characteristic of imperial systems and of colonialist tendencies--prolonged the resolution of the problem of Belize, always treated by the utilitarian power in a way that caused us to be politically and militarily weak. In time, it was able to make good use of even the liberation movement of countries that were subdued by Great Britain, by taking on the disguise of a lover of the free determination of countries, going to ridiculous extremes, like that of claiming that a detachment and the planting of some administrative employees can constitute a population in Gibraltar, with 'British desires' of self-determination.

Political interests of another type in the so-called 'Third World' and Soviet aspirations of predominance in the Western Hemisphere, nourished by ideologists and by political puppets managed by remote control, have seemingly wiped out colonialism from the British curule in the United Nations Organization, an area in

which political interests do not allow enough breathing space for right and justice, raising their hands like lances against juridical thinking and even the precepts expressed in the San Francisco charter; as in the most recent and the previous voting in order to expedite, by misguided means, the solution of the problem, to the liking of the British palate and with no thought for Guatemala's territorial claim.

We are referring to a sign of communist interests, because several scattered incidents in the Caribbean archipelago cause this to be presumed, and finally to the Belizean newspaper, THE BEACON, which editorialized on the nightmare of Belize: the UN decision 'that Belize should become independent,' even though Guatemala's claim is not resolved, and even though it means the invasion of a defenseless Belize by Guatemala; but it indicates something worse, that 'the communists are smacking their lips with relish at the prospect of an opportunity to utilize a defenseless Belize as a base to penetrate Central America' (or in order to finish penetrating Central America, they could say), and also Mexico--counting, they add, on ports like Belize and Commerce Bight.

It is true that the handlers of the question of Belize in the United Nations do not dare (as yet) to deal the final blow, inasmuch as its 'generous recommendation' to give independence to Belize in 1981 before the closing of the next UN General Assembly considers that a petition has been entered for Great Britain (in consultation with Belizean leaders) and Guatemala to remove any obstacles to arriving at an agreement in the negotiations that have been initiated--which are being cleverly postponed or entrapped by the British in order to gain time and to augment UN sentiment or to be more outspoken in the matter.

What is truly inconceivable in a forum whose existence has a juridical basis, without which it could not exist, is that the voters are not aware of the damage they are doing to logic, right, and the essence of the UN, since they are asking that a matter be resolved prior to the solution that they want (or that may please the British, or that may please the communists), since they demand in concert, with former Guatemalan Price as soloist, the independence of Belize, through the generosity of treacherous Albion, with its entire territory--not yet delimited--that Great Britain unlawfully holds.

But to have a theoretical and latent just claim is not enough. Guatemala has stopped disseminating the historical truth and the juridical substance of its claim. The United Nations have increased in number--but they are still weak in quality because of their size, which is great, but which results in a loss of depth; and many of the delegates from new member countries are not acquainted with the past and do not have time (or perhaps even an interest) in reading background data, useless also for those who receive the word, sometimes orders, to argue or vote in a discussion of affairs which, without being of intrinsic political interest, may be useful on the voting market and for political influence. Guatemala must not rest on its laurels, but must race against the clock, so that foreigners and many indolent Guatemalans may become thoroughly aware of the problem of Belize and the fairness of the Guatemalan claim."

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CSO: 3010

COLUMNIST VIEWS RIGHTWING'S REACTION TO REAGAN VICTORY

PA251910 San Pedro Sula TIEMPO in Spanish 17 Nov 80 p 7

["Viewpoint" column by Victor Meza: "Reagan's Victory and the Domestic Rightwing"]

[Text] Ronald Reagan's victory has had, among other things, the virtue of acting as a restorative, something like a revitalizing tonic that has returned strength and hope to an ultraright tormented by the victories of the continent's revolutionary forces.

The Honduran rightwing's reaction to Carter's defeat and the republican candidate's overwhelming victory has been tinged with anecdotes and folklore. Quite a few compatriots view Reagan's victory as their own and can hardly wait for the moment when leftist heads begin rolling all over the area. For these compatriots--believe it or not--Carter somehow symbolizes communism infiltrated into the top echelons of the U.S. Government. By the same token, they interpret his defeat as a victory for the anticommunist forces and as a strong blow against world revolution.

It would not be strange then if, in light of such opinions and hopes, Reagan himself would later seem too tolerant and benevolent. The complexity of world politics and the fact that political-military blocs exist in today's world are real and specific phenomena that no truly capable and intelligent ruler can ignore. Imperial interests can at times be more sophisticated than any thing the artless imagination of our crude and provincial rightwing can conceive.

As soon as Reagan won, many traditional politicians began talking about the possibility that a new coup might be staged. And surely, deep inside, more than one officer savored the hope of seeing himself becoming chief of state thanks to a coup.

As long as everything is reduced to mere hopes and dreams, there is not much to worry about. The difficult part will be the day someone more insolent decides to launch a coupist adventure and to thank the honorable deputies for their expensive services to our poor fatherland. That is when things will indeed get hard and our "oasis of peace" will become just the opposite.

The right apparently cannot learn the lessons of history. It is slow-witted and stubborn, as befits the productive forces of the most underdeveloped country in the area. Just as one cannot expect pears from an elm tree, neither can we ask underdeveloped Honduras to have a clear-headed and brilliant rightwing. It cannot be done.

The situation in El Salvador is slowly and painfully nearing a final solution. The harassment operations launched by the guerrillas merely forecast the proximity of the final offensive. In spite of the peace treaty signed with our government, the Christian Democratic-military junta is staggering and is threatening to collapse completely. Meanwhile, the internal contradictions of the Sandinist process have been more clearly defined and the political prospects of the Nicaraguan revolution now seem clearer and more precise.

At this new historic juncture that Central America is currently experiencing, a coup attempt is the only thing the Honduran rightwing can come up with. In order to unite their forces and sufficiently encourage their adventure, they interpret the U.S. republican victory as a pat on the back for their political ambitions and as open support for their undemocratic plans. There is no question: Honduras' rightwing is destined to continue being Central America's cinderella!

CSO: 3010

RATIONAL LAND REFORM PROGRAM URGED

PA032014 Tegucigalpa Voz de Honduras in Spanish 1145 GMT 3 Dec 80

[Commentary by Andres Torres]

[Excerpts] The occupations or invasions of agricultural lands continue to be carried out by organized groups of peasants, now with the argument that those who have nothing should take from those who do have, as if modern times had imposed the law of the strongest.

We cannot, nor do we wish to ignore the peasants' demands for land. We understand and we realize quite well that those who have no lands to cultivate feel neglected. The land reform program, however, cannot be conceived as the haphazard distribution of lands that are perhaps fulfilling their social purpose.

It is true that neglect creates desperation, because hunger hurts. However, the use of the land can be positive only if at the same time there is the technical assistance and the economic aid to exploit it.

For example, food imports this year total almost 60 million lempiras and of these--listen to this--40 million have been used for purchasing grain abroad. We feel that the government should implement a true land reform, an overall reform from which everyone will benefit. Only in this way will there be security for investment in agriculture and with this investment, there will again be rational exploitation of land.

It is no longer possible for us to continue being great importers of grain, when we have good land and when we are an agricultural country par excellence.

There must be a well-defined agrarian policy in which natural and economic resources are well utilized and distributed.

It is precisely the peasant invasions that contribute toward scaring bank credit away from agro-industry. With the economic contribution of the government alone, land reform will always be a myth, because the reformed sector will never be able to produce enough to meet the domestic demand.

The peasants may continue to invade lands. The government may continue to channel funds toward the organized peasant sectors. However, the grain shortage will continue to spiral alarmingly until the private sector has the necessary security for agro-industrial investment.

CSO: 3010

NEWS MEDIA SCORED FOR FAVORING SALAZAR

PA041843 Managua Radio Sandino in Spanish 0300 GMT 4 Dec 80

[Commentary by Wilfredo Lopez Balladares: "Finger on the Sore"]

[Text] The counterrevolutionary news media, especially its most conspicuous mouthpiece, the newspaper LA PRENSA, is disregarding the charges investigators have leveled against Jorge Salazar Arguello. It insists on trying to depict him as a hero, a martyr and an apostle of their cause.

The irresponsible persons in charge of these news media do not give an iota to the fact that Salazar Arguello was up to his neck in activities against the people and the revolution. Nor do they care that he sought out and made contacts with former Somozist guardsmen and other enemies of the fatherland in order to carry out another bloodbath and impose the boot of fascism.

The super-brave directors of the local news media have not concerned themselves with Salazar Arguello's subversive activities. What hurts them to the point of hysteria is that the plans collapsed. These news media directors do not care if these plans only served the antinational ambitions of an oligarchy willing to sell the fatherland and who dream of regaining financial power so that they can divide among themselves the product obtained with the blood and sweat of the workers, as in the past. They do not care at all that if the coupists headed by Salazar Arguello had seized power, the properties confiscated from the Somozists would have been restored to the corrupt oligarchy and to a greedy private enterprise. They do not even care that former Somozist guardsmen would have been appointed to military posts which enable them to kill again, with revenge.

The news media directors want the counterrevolutionaries to seize power, even if they have to exterminate the revolutionaries to do so. What is driving them mad is the fact that their plans did not work. Those who talk so much about love support those who have hearts full of hatred and are preparing to kill without any mercy to regain what they claim they have lost. Those who talk so much about a white Christmas were planning to stain it with blood. Those who talk about peace were smuggling arms to start another war. For this reason the people have condemned Salazar Arguello and his henchmen and do not consider them to be heroes or martyrs, but just plain counterrevolutionary plotters who preferred a galil rather than a dialogue, a pistol rather than the spoken word.

There are patriotic businessmen who are realistic and understand that the armed path against the revolution is stupid, irresponsible and also a waste of time, since it would cut production not only for personal gain but also for the nation.

Anyone who fights against the fatherland or tries to hand it over to the trans-nationals, is no hero.

Let us not put the merchants who are auctioning the country to colonels and millionaires in foreign markets on the same level as those who said that they would die for their country and who in fact did.

CSO: 3010

SANDINIST INVITATION TO PROFESSIONALS SEEN AS DEMOCRATIC

PA301956 Managua BARRICADA in Spanish 26 Nov 80 p 3

[Editorial: "The Role of Professionals and Sandinist Democracy"]

[Excerpts] The invitation that the Sandinist National Liberation Front (FSLN) has extended to all of the country's professionals to come together and discuss and enrich the draft law regulating professionals prepared by an ad hoc committee of our vanguard organization constitutes a specific example of Sandinist democracy applied to a matter of great importance for the country.

In addition to originating among the professional rank and file, the FSLN's draft document will once again be subjected to a process of consultation that will undoubtedly result in a better draft law, enriched with the contributions of the country's patriotic professionals and technicians. All this speaks highly of the democratic and popular bases of this process. Evidently, this process of consultation is also open to the rest of the people due to the nature and importance of professional activities in all areas of social life.

To speak of rules for the exercise of a profession within the context of a revolution simply means to define the role of professionals and technicians within the framework of a revolutionary process and the construction of a new society. In this manner, the objectives of professional work are placed at the service of the fatherland and do not constitute abilities to be exploited or from which to profit.

In addition, a position is defined on the importance of professional (due to their degree of technological and scientific training) in making the fatherland great and on their responsibilities in forging the new society, as members of the working people. For this reason, the systematic rise in the scientific and technical level of professionals is not only a duty contracted with the fatherland and the revolution but also a matter that concerns all workers who benefit from both the contributions made by the professionals and the country's development, to which the professionals contribute.

Naturally, in order to achieve these goals, the right of professionals and technicians to organize into associations, and the need to stimulate their incorporation and effective participation in them is recognized.

Lastly, a fundamental condition to guarantee that professionals fulfill their functions aimed at benefiting the people and the revolution is the participation

of the government of national reconstruction to see that these goals become a reality. As the most recent document [considerando] states, "the government of national reconstruction is the organized expression in possession of [en poder de] the state and of the independence, self-determination and freedom achieved by our people. It is, therefore, vested with the moral and material authority necessary to rule on and watch over professional exercise so that it carries out the functions it has to on behalf of the Nicaraguan people." Those are the rights that the people have achieved through the revolution and patriotic professionals and technicians are a part of the revolutionary people.

CSO: 3010

DETAILS OF WORK-STUDY PROGRAM PROVIDED

PA031513 Managua BARRICADA in Spanish 24 Nov 80 p 14

[Excerpts] "It is necessary to work so the country can have more wealth, more production to distribute." (Commander of the revolution Jaime Wheelock)

The work-study program has a theoretical basis: "If we consider it normal and necessary for our workers to study, then we must favor the development of an educational system in which our students should also work."

The students' participation in the work-study program does not necessarily have to be in the field. There are opportunities for the students to work in the communities close to their schools. The different tasks the student may carry out include environmental improvement and the maintenance of parks, streets, ditches, public buildings, nurseries, factories and industries which belong to the people.

It must be clearly established that the participation in the work-study program must be completely voluntary.

Those students who realize the need for the revolution to promote production in the field and who decide to participate in rural work, have two choices: to work in the daytime, which will allow them to return in the afternoon to their homes, or to live and work at the farms owned by the National Institute for Agrarian reform, INRA, equipped with the proper installations.

The tasks in the work-study program shall be distributed as follows: 5th and 6th grade students will carry out their work within their respective schools and in the district in which the school is located.

Junior high school students will work within their schools, in the district in which they are located or in other districts within the community.

They could also participate in the work-study program in the field in its first phase, for which it will be required to have the parents' written permission and an effective control over work attendance and the quality of the work.

Due to their maturity and responsibility, only high school students in the work-study program in the field will be allowed to work in the INRA farms.

Of all the previously mentioned work, only work done in the coffee harvest on public or private farms will be remunerated. The product of the students' work may be used to bolster the family budget or to create a special fund for the development of their schools or the youth association to which they may belong.

The high school teachers will be in charge of jointly coordinating the work of the students with the student authorities. Each brigade will be accompanied by a school teacher.

Grade school teachers shall direct and guide the work to be carried out by the students in their own schools.

A team of the education ministry's central office shall be responsible for this program. The team will be headed by the educational planning vice minister and will include one delegate for the training program division, one for the vocational training and occupational guidance department, and one for the high school general directorate, as well as representatives from the National Association of Teachers of Nicaragua, the Sandinist Youth and the Parents Association.

CSO: 3010

BRIEFS

LIMITED FREEDOM OF EXPRESSION--Caracas, 2 Dec (EFE)--Fabio Gadea Mantilla, president of the Advertising Agencies Association of Nicaragua, disclosed here today that there are restrictions on the freedom of expression in his country. Gadea, head of Nicaraguan delegation of radio station and newspaper owners, said that the unconditional freedom of expression "is established in the constitution, but has been restricted by recent decrees." He said that the most recent case is that of television, in which the two channels "were allegedly taken over by the state, but are at the service of the Sandinist National Liberation Front [FSLN], which is a political party with definite Marxist-Leninist tendencies." Gadea Mantilla added that Decree 511 prohibits reporting news dealing with shortages of food, armed clashes, strikes, stoppages and "similar issues." Gadea Mantilla says that "this creates a critical situation, because anything the government wishes could be covered by this." "We hope that all democratic countries of America realize the situation we are going through," he concluded. [Text] [PA051754 Madrid EFE in Spanish 0236 GMT 3 Dec 80]

NEW EDUCATIONAL PROGRAMS--Nicaraguan schools began today to organize the student brigades that will participate in the new work-study programs to be implemented in the country's 136 municipalities. Activities will include park cleaning, tree planting, cleaning of streams, streets and districts as well as other activities to acquaint the student with his community. [PA011449 Managua BARRICADA in Spanish 25 Nov 80 p 1, 5]

VESSEL REGISTRATION--The National Directorate of Maritime Transportation reports that, according to existing law, all vessels and naval craft of more than one ton displacement will have to be registered; and will have to have a license or navigation permit as of 11 December. Owners will pay according to the gross tonnage of the vessel, and the activity engaged in. [Text] [PA292026 Managua Radio Sandino in Spanish 1200 GMT 29 Nov 80]

CSO: 3010

VIOLENCE IN EL SALVADOR CONDEMNED

PA051858 Panama City MATUTINO in Spanish 3 Dec 80 p4-A

[Editorial: "Uncontrolled Violence in El Salvador"]

[Text] Unfortunately, when men let emotions get the best of them, they settle their differences through violence. When they cannot control their emotions, they unleash the bloodshed that leads countries to a massive despair that is the threshold of chaos, and can only end in definite and generalized ruin.

This is being experienced by El Salvador. The will of the great majority of Salvadorans is being repressed through blood and fire by those who have the power and the weapons, and are mentally and spiritually insane enough to use them.

People are being killed by the hundreds in El Salvador. So many are being killed by repression that we could rightly call it genocide. This word is applied to the systematic extermination of a race, people or religion. However, in El Salvador, a defenseless people are being exterminated just because they have a different ideology from those in power.

This attitude should be condemned by all those countries, who are mature enough to have learned to coexist with different ideologies. This leads us to reflect on the great benefits reaped by a country like ours, which has learned to respect the opinions of others, and at the same time demands for our own.

Ideological pluralism--which allows each country to have its own traditional way of thinking, acting, and settling its problems, including socio-economic ones--once again proves that it is the way of life of truly free men.

Some countries are engaged in never-ending war over differences, not in religion, but over minor discrepancies in rites. These wars are a permanent source of bloodshed of young men and result in economic imbalances. There are other countries like ours, whose constitution allows freedom of worship, and in which the Roman Catholic majorities are not upset or concerned because a neighbor belongs to another religion.

That is why, at the same time, we are praying for an end to the violence destroying El Salvador, we are also praying that our country will always maintain that respectful attitude, in which no group will tomorrow sow the seeds of religious or political fanaticism with its ensuing violence and struggle among brothers of the same blood, as is happening in El Salvador.

CSO: 3010

FORMER PRESIDENT'S PRESS SECRETARY DENOUNCED BY WAR MINISTRY

Lima CORREO in Spanish 13 Nov 80 p 3

[Text] The Ministry of War will take legal action against the editor of KAUSACHUM and former director of the Velasquist OCI [Central Information Office], Augusto Zimmermann Zavala, because of the serious accusations appearing in the most recent edition of this weekly.

One of the charges which will be lodged against Zimmerman reportedly will be falsification of documents attributed to the Intelligence Service and to Gens Francisco Morales Bermudez, Pedro Richter Prada and Guillermo Arbulu Galliani, in connection with the death of Argentine Montonero Carlos Alberto Maguid, of whom it was said that he had disappeared while living in Peru.

According to credible sources, the memoranda attributed to officials of the Intelligence Service are in reality clumsy falsifications in which phony texts were "rigged" with legitimate signatures from routine documents of the military organization. A military source, consulted by CORREO, said that the subjects dealt with in the memoranda not only did not exist but are not customarily handled in this kind of internal communication.

The Montoneros

The conclusions of military experts who have analyzed the memoranda published by KAUSACHUM would lead to the conclusion that foreign agents of the Argentine Montoneros had a hand in the falsification operation. This also included the suspicion that high Montonero leaders had participated. They are said to have entered the country during the last few weeks by using disguises and makeup similar to those employed by Che Guevara to enter Bolivia with false passports.

The KAUSACHUM report which implicated several active duty and retired generals was interpreted as part of a strategy inspired by the communists and coup d'etatists to undermine the unity of the Armed Forces. In the preceding edition of the same publication, there was a distortion of an in-house incident between Minister of Industry Roberto Rotondo and an officer which was exaggeratedly presented as a confrontation between the government and the military.

It was also said that a visit by the president of the republic to the offices of the Ministry of War, which had been scheduled in advance, was slanted to make it seem "an act of atonement to the Army." Legal advisers of the Ministry of War are studying the above-mentioned magazine to classify the criminal acts contained in it. They have cited defamation, falsification of documents, crime against public trust and others which will nail Gen Velasco Alvarado's adviser to the wall.

VISIT OF YUGOSLAV VICE PRESIDENT REPORTED

Cooperation Reaffirmed

Lima LA CRONICA in Spanish 17 Nov 80 p 2

[Text] Pleasantly surprised by the architectural beauty of the cities of Lima and Cuzco, Sergej Kraigher, vice president of Yugoslavia, bade farewell to our country yesterday after a 5-day official visit.

During his stay in Peru, Kraigher met with the constitutional president, Fernando Belaunde and signed a joint statement. He also made a sightseeing trip to Cuzco.

He also had important talks with the ministers of foreign relations, Javier Arias Stella; agriculture and nutrition, Nils Ericsson; and energy and mines, Pedro Pablo Kuczynski.

On the first day of his visit, the vice president was declared "Illustrious Guest" of the city of Lima by the Provincial Council. Mayor Piero Pierantoni gave him the keys to the 400-year-old capital city.

A few hours after his arrival, he awarded the "Great Star of Yugoslavia" to President Fernando Belaunde, his country's highest honor, which is reserved exclusively for chiefs of state.

During talks with members of the Constitutional Government and representatives of the press, an important role was played by the interpreter, Nadezdia Milekich. She was a member of the illustrious visitor's official committee.

Nadezdia, with her natural friendliness, facilitated communications between the Yugoslav vice president and persons with whom he spoke.

Support for Irrigation Projects

While he was in our country, he was able to analyze our relations firsthand and to reaffirm the existing bilateral agreements.

In this regard, Sergej Kraigher, who in May 1981 will become the president of his country, stated the need for increasing cooperation between our countries.

He revealed that Yugoslavia is buying Peruvian products amounting to \$100 million and is selling us products worth \$1 million.

In his talk with the Minister of Agriculture and Nutrition, after describing the work being done by the Yugoslav enterprise Energo Project on the Chita-Piura irrigation program, he said that his government is keeping alive its expectations of an increase in existing collaboration and cooperation, particularly in agriculture and irrigation.

Also, during a talk with Pedro Pablo Kuczynski, he revealed that his government is interested in participating in several of Peru's mining projects.

The signing of the "joint declaration" by both governments signifies a commitment to maintain friendly and cooperative relations between Yugoslavia and Peru and means that the levels of this relationship are important, especially in the commercial and political sectors.

The distinguished visitor was broadly informed on the objectives and goals of the Peruvian government as concerns its political, economic and social development processes, with emphasis placed on restating the existence of full respect for human rights and democratic freedoms.

With regard to bilateral cooperation, Vice President Sergej Kraigher reaffirmed that his government is ready to participate in the exploration of Peru's water, energy and agricultural-livestock resources.

Solidarity With Nonaligned Countries

Lima CORREO in Spanish 17 Nov 80 p 3

[Text] Peru has reaffirmed its position in the Nonaligned Countries Movement, according to a statement made yesterday by Foreign Minister Javier Arias Stella, shortly after bidding farewell to the vice president of Yugoslavia, Sergej Kraigher, who traveled to Nicaragua after his official 4-day (as published) visit to Peru.

Arias Stella said that he and Kraigher had analyzed the major topics relating to the international political scene and the efforts being made by developing nations to bring about a new international economic order.

"The principal significance of Kraigher's visit was to affirm the common position of Peru and Yugoslavia in the Nonaligned Countries Movement," he added.

Yugoslavia, jointly with India and Egypt, was the creator of the nonalignment policy; i.e., to maintain a position equidistant between the poles of world power: the United States and the Soviet Union.

Arias Stella said that the failure of north-south dialog is due to the lack of "cohesion and solidarity" in the negotiatint position of the Third World.

He said that for this reason Peru has proposed an effort to find great regional agreements in Latin America, Asia and Africa. "To succeed in achieving intraregional community and in this way to face up to the industrialized powers," he added.

The Foreign Minister said that the visit of the Yugoslav vice president has also served to strengthen commercial exchanges.

He recalled the old ties of friendship between Peru and Yugoslavia. In 1963, President Belaunde received then chief of state Tito. And during the civilian government, diplomatic relations were established in 1968.

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CSO: 3010

MORALES BERMUDEZ STATES ARMED FORCES ROLE

Lima CORNICA in Spanish 13 Nov 80 p 5

[Text] The role of the Armed Forces is one of total subordination to the legally constituted civilian authority because such authority derives from the will of the people, according to a statement made last night by the former head of the revolutionary government, Gen Francisco Morales Bermudez.

Speaking on the subject of "The Armed Forces and Politics," Morales Bermudez emphasized, "Governments are put into office by the people because it is the people who elect them." He added that the Armed Forces were not set up to govern, although they have governed.

"The civilian and military sectors must seek national unity because in the Peru of today a separation between the two is inconceivable," he stressed after saying that the obsolete concepts of "antimilitarism and anticivilianism" should be banished forever.

He also said that in the Peru of today there is a revival of the purest form of democracy in its broadest sense which can and must serve in attainment of the permanent stability of the political government born of the people's will.

The former president made these remarks before a large audience made up of University of the Pacific students, several former ministers of the previous military government, former editors of newspapers and national and foreign journalists.

He commented that the Armed Forces have an important role in the country's life, not only as a basic element of its territorial defense but also as a contributing factor to national development in the country's technological, scientific and problem-knowledge sectors.

"We must be united because all of us Peruvians are one," he said.

Using historical references and mentioning writers such as Plato, Aristotle, Bolívar and other personalities from world history, Morales Bermudez presented a sequential account of the military interventions which have taken place in the country since the republican era.

He said that these military interventions were in some cases motivated by pressures produced internally and externally on the Armed Forces, generally by movements headed by military leaders.

He underscored the fact that the Armed Forces at present cannot remain as mere observers of events which are of interest to the entire country, although he said that they should remain totally "apolitical"; i.e., they should not have any partisan political ties.

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